

Environmental Scanning and Strategic Decision Quality of Deposit Money Banks in Delta State, Nigeria

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Article DOI: 10.48028/ijprds/ijarssest.v10.i1.17

Abstract

This study explored the relationship between environmental scanning and strategic decision quality of Deposit Money Banks (DMBs) in Delta State, Nigeria, and its dimensions as economic environmental scanning, regulatory/political environmental scanning, and technological environmental scanning. The underpinning theories for the study are Open Systems Theory and Information Processing Theory which describe the relevance of organisational interaction with the external environment and processing of environmental information for effective decision-making. The research design adopted was cross sectional survey. The population of the study was 250 managerial and senior level staff of some selected DMBs in Delta State, from which the sample size of 154 respondents was obtained using the Taro Yamane formula. Data were collected using a structured five-point Likert-scale questionnaire. Pearson Product-Moment Correlation and multiple regression analysis were used to examine the relationships and predictive effects at the 0.05 level of significance. Environmental scanning was operationalised using economic, regulatory/political and technological dimensions, and strategic decision quality was measured in accuracy, timeliness, strategic alignment and adaptability. The analytical approach offers a basis for the evaluation of the extent to which systematic environmental intelligence impacts the quality of strategic decision-making processes in a dynamic banking environment. The analysis indicates that the appropriate environmental scanning should be considered a strategic organisational capability and not only as a task to gather information. The study recommends that systematic assessments of economic, regulatory/political, and technological factors should be institutionalised, management analytical competencies should be enhanced, environmental intelligence should be embedded in strategic planning, and proactive approaches also should be adopted to predict environmental changes. The study contributes to the strategic management literature by relating environmental scanning to the quality of strategic decision-making quality in the Nigerian banking industry.

Keywords: *Environmental scanning, Strategic decision quality, Economic environment, Regulatory/political environment, Technological environment*

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<https://internationalpolicybrief.org/international-journal-of-advanced-research-in-social-sciences-environmental-studies-and-technology-volume-10-number-1/>

Background to the Study

The contemporary business environment is characterised by rapid technological advancement, regulatory changes, economic uncertainty, changing customer expectations and intensifying competition. These developments have increased the need for organisations to systematically acquire, interpret and utilise information about their operating environment. In strategic management, environmental scanning represents a systematic process through which organisations monitor internal and external conditions, identify emerging opportunities and threats, and generate information that can guide strategic action. Environmental scanning is a vital, continuous method of establishing trends and events that can influence the trajectory of an organisation (Harris, 2025). It converts environmental information into relevant knowledge for the purpose of strategic planning and decision-making. As organisations face uncertainty and changes, such scanning is becoming more and more vital. Researchers have shown that the ever-changing business environment affect organisational scanning and other ways of processing information, regular scanning assists people to make good strategic decisions (Guangming & Yanqing, 2024). Reviewing and amending rules when conditions change is also considered vital for monitoring the environment and collaborating across departments (Song et al., 2024).

Deposit Money Banks (DMBs) operate in a highly regulated, technology-driven and competitive environment and Strategic decisions can have a major impact on the sustainability of the bank, the level of customer satisfaction and the bank's financial performance. Banks have to consider monetary and legal constraints, changes in interest rates, inflation, currency fluctuations, new technology, customer behaviour, competition, and the general economic trend. The Central Bank of Nigeria (CBN) often reviews its monetary and prudential policies in reaction to the changes in the economy. For instance, the CBN has affected substantial modifications to the Monetary Policy Rate and Cash Reserve Requirement for Deposit Money Banks to mirror the regulatory leeway of Nigerian banks (Central Bank of Nigeria [CBN], 2026). Nigeria's banking industry is undergoing a substantial transformation. The recapitalisation program was done to make banks strengthen their capital base according to the categories of their licences. The stated goals are to make banks more resilient, better able to absorb financial shocks, more competitive, and able to finance economic growth (CBN, 2025), hence bank executives and managers need to be conscious of the regulatory, economic, competitive and technological environments before making decisions regarding capital mobilisation, merger and acquisition, allocation of credit, digital transformation expanding the market and managing risk. Technological change further enhanced the role of environmental scanning in the Nigerian banks. The use of digital banking, financial technology, data analytics and artificial intelligence has changed client expectations and the competitive structure of the sector. Managers who regularly monitor the development in technology and shifts in customers' needs may be in a better position to take timely and strategically sound decisions. The Delta State situation is particularly pertinent. They are one of Nigeria's key commercial and economic centres, home to many banking institutions serving corporations, households and public-sector organisations. The state's economy is heavily dependent on oil and gas, trade, construction, manufacturing and services. Consequently, DMBs operating in the state are subject to a complex mixture of economic,

regulatory, technological and competitive factors. Recent empirical studies that have examined DMBs in Delta State explicitly show that shifting customer expectations and technological changes are essential concerns in banks' strategic management practices and decision-making processes (Wegwu, 2024).

Strategic decision quality is consequently an important organisational outcome. A strategic decision is not necessarily good simply because it produces a favourable outcome; rather, decision quality is the extent to which decisions are based on relevant and reliable information, aligned with organisational objectives, timely, logically evaluated and responsive to prevailing circumstances. Recent conceptual work similarly identifies strategic decision quality in terms of attributes such as accuracy, timeliness, adaptability and strategic alignment. Moreover, research on strategic decision-making emphasises the importance of information quality in supporting effective strategic choices. Therefore, the relationship between environmental scanning and strategic decision quality is theoretically plausible. When managers continuously monitor relevant environmental developments, they are able to identify opportunities and threats earlier, reduce information gaps, anticipate environmental changes, and improve the information available for strategic choices. Conversely, inadequate environmental scanning may expose banks to information asymmetry, delayed responses, strategic misalignment and inappropriate decisions. Although previous studies have examined environmental scanning, organisational performance and strategic management, there remains a need for empirical evidence specifically addressing how environmental scanning influences the quality of strategic decisions within DMBs operating in Delta State. This study seeks to examine the relationship between environmental scanning and strategic decision quality of Deposit Money Banks in Delta State, Nigeria. The study is expected to contribute to strategic management scholarship by clarifying how systematic environmental information acquisition and interpretation can support the quality of strategic decisions in a highly dynamic banking environment.

Statement of the Problem

Deposit Money Banks in Nigeria operate in an environment subject to significant regulatory, economic, technological and competitive changes. The banking sector has witnessed substantial regulatory reforms recently such as recapitalization requirements aimed at enhancing banks' resilience and capacity to withstand domestic and external shocks (CBN, 2025). Concurrently, monetary-policy conditions, technological disruption, evolving customer expectations and intensifying competition continue to generate uncertainty for banking institutions. The CBN's recent monetary-policy decisions such as adjustments to the Monetary Policy Rate (MPR) and Cash Reserve Ratio (CRR), reflect the magnitude of change that can occur in the operating environment of DMBs over relatively short periods (CBN, 2026). The problem is that strategic decisions made under such conditions require accurate, timely and relevant environmental information. Where managers fail to adequately scan and interpret their environment, strategic decisions may be based on outdated information, managerial assumptions or incomplete understanding of emerging opportunities and threats. This can lead to delays in strategic responses, misdirected resources, a weaker competitive position and ill-thought-out decisions which are poorly aligned to changes in the operating

environment. Harris (2025) points out that environmental scanning provides a broad evidence base that can inform strategic planning and organisational decisions. The issue is particularly relevant to the Nigerian banking industry as environmental changes can have a direct impact on banks' strategic choices. Changes in monetary policy can affect lending and investment decisions; technological developments can affect banking channels and customer expectations; regulatory reforms can impose changes in capital and risk-management strategies, whilst competitive pressures can compel banks to rethink products, pricing, market positioning and digital strategies.

Recent research on Nigerian banks confirms the strategic relevance of environmental uncertainty and innovation capability within the banking industry. However, empirical studies have examined environmental scanning in relation to broad organisational or corporate performance rather than examining directly the quality of strategic decisions. For example, earlier Nigerian research investigated environmental scanning and corporate performance among selected Nigerian banks suggesting an established interest in the strategic value of environmental information but leaving room for further examination of the decision-making mechanism itself. More recent research has examined strategic management practices and decision-making among DMBs in Delta State, but has not fully established the specific contribution of systematic environmental scanning to the quality of strategic decisions. This creates a significant empirical gap. The central problem is therefore not simply whether banks monitor their environment, but whether and to what extent systematic environmental scanning improves the quality of the strategic decisions made by their managers. Understanding this relationship is important because high-quality strategic decisions are essential for banks to respond effectively to environmental uncertainty, maintain competitiveness and sustain organisational viability.

The present study therefore addresses this gap by empirically examining the relationship between environmental scanning and strategic decision quality among Deposit Money Banks in Delta State, Nigeria.

Aim/Objectives of the Study

The broad aim of this study is to examine the relationship between environmental scanning and strategic decision quality of Deposit Money Banks in Delta State, Nigeria. Precisely, the objectives are sought to:

- i. Examine the relationship between economic environmental scanning and strategic decision quality.
- ii. Determine the relationship between regulatory/political environmental scanning and strategic decision quality.
- iii. Examine the relationship between technological environmental scanning and strategic decision quality.

Research Questions

The study answered the following questions:

- i. How does the strategic decision-making quality of deposit money banks in Delta

- State, Nigeria, relate to economic environmental scanning?
- ii. What relationship exists between the strategic decision-making quality of Deposit Money Banks in Delta State, Nigeria, and regulatory/political environmental scanning?
 - iii. How do technical environmental scanning and the quality of strategic decisions made by deposit money banks in Delta State, Nigeria, relate to each other?

Research Hypotheses

The following null hypotheses guided the study:

- H01:** There is no significant relationship between economic environmental scanning and strategic decision quality of Deposit Money Banks in Delta State, Nigeria.
- H02:** There is no significant relationship between regulatory/political environmental scanning and strategic decision quality of Deposit Money Banks in Delta State, Nigeria.
- H03:** There is no significant relationship between technological environmental scanning and strategic decision quality of Deposit Money Banks in Delta State, Nigeria.

Theoretical Framework

The study buttresses on two theories. These include:

- i. **Open Systems Theory:** This theory was developed by Von Bertalanffy (1950, 1968). According to the theory, groups are like open systems; they interact with their environment continuously. Organisations obtain information and other resources from the environment, transform them through internal processes and respond through appropriate outputs; hence the theory explains the need for Deposit Money Banks to always monitor economic conditions, regulatory policies, technological developments and other environmental forces. Environmental scanning is thus a crucial mechanism for banks to gather information to help them identify opportunities and threats and to change their strategies accordingly. Banks need to be aware of their environment as opined by the Open Systems Theory.
- ii. **Information Processing Theory:** This was propounded by Galbraith (1973, 1977); the theory explained how organisations acquire, process and use information to reduce complexities and uncertainties in the business environment to make informed decisions. The theory is of the view that greater environmental uncertainty increases an organisation's need for effective information processing. Systematic environmental scanning is beneficial for DMBs because it provides managers with relevant information regarding economic, regulatory and technological developments that can be examined and analysed to create better, timely and more adaptive business decisions. Information processing theory shows how environmental information can be transformed into good strategic decisions. The theory provides an understanding of the influence of environmental scanning on strategic decisions quality in deposit money banks.

Methodology

Research Design

The study adopted a cross-sectional survey research design. The design was appropriate because the study seeks to examine the relationship between environmental scanning and strategic decision quality of Deposit Money Banks (DMBs) at a particular point in time. A cross-sectional survey enables the researcher to collect quantitative data from respondents who possess relevant knowledge of environmental scanning and strategic decision-making within their organisations. The design was also suitable for testing the stated hypotheses using inferential statistical techniques.

Population of the Study

The population of the study comprised managerial and senior-level employees of selected Deposit Money Banks operating in Delta State, Nigeria. The respondents were drawn from positions that are directly or indirectly involved in strategic planning, environmental analysis and organisational decision-making, including branch managers, operations managers, business development managers, risk managers, relationship managers and other senior officers with adequate knowledge of the strategic activities of their banks. For the purpose of this study, an accessible population of approximately 250 managerial and senior-level personnel across selected DMBs in Delta State was used.

Sample Size and Sampling Technique

Taro Yamane formula:

$$n = N / (1 + N(e)^2)$$

Where is

(n) = sample size required,

(N) = population size (250), and

(e) = level of precision (0.05).

Therefore:

$$[n = \frac{250}{1 + 250(0.05)^2}]$$

$$[n = \frac{250}{1.625} \approx 154]$$

Thus, a sample size of 154 respondents was used for the study. A multistage sampling procedure was adopted. First, selected DMBs were identified from the current list of licensed banks. Second, relevant managerial and senior-level employees were identified within the selected banks. Third, proportionate sampling was used to allocate the sample across the selected banks, while purposive sampling was applied in selecting respondents who possess adequate knowledge of environmental scanning and strategic decision-making. This approach is appropriate because the study requires respondents who are sufficiently knowledgeable about the strategic activities being investigated.

Instrument for Data Collection

Data was collected using a structured questionnaire developed from the constructs and dimensions of the study. The questionnaire consists of two major sections. Section A obtained respondents' demographic and occupational information, while Section B measured environmental scanning and strategic decision quality. Environmental scanning was operationalised through three dimensions:

- i. Economic environmental scanning;
- ii. Regulatory/political environmental scanning; and
- iii. Technological environmental scanning.

Strategic decision quality was measured using indicators relating to accuracy, timeliness, strategic alignment and adaptability. These indicators are consistent with the study's conceptualisation of decision quality as decisions that are informed by relevant information, aligned with organisational objectives, timely and responsive to changing circumstances. Items were measured on a five-point Likert scale, ranging from 1 = *Strongly Disagree* to 5 = *Strongly Agree*.

Validity of the Instrument

The questionnaire was subjected to face and content validity. Copies of the instrument will be given to experts in Strategic Management, Management Research and related fields for assessment of the clarity, relevance, adequacy and appropriateness of the items in measuring the study variables. Their observations will be incorporated before the final administration of the instrument.

Reliability of the Instrument

A pilot study was conducted using respondents from DMBs who are not included in the final sample. The internal consistency of the questionnaire was tested by the Cronbach's alpha coefficient. A coefficient of 0.70 and above was considered sufficient to establish the adequate internal consistency of the measurement scales (Hair et al., 2022).

Method of Data Collection

The researcher personally distributed the copies of questionnaire to the selected respondents with the permission of the concerned bank authorities. Respondents were informed about the purpose of the study and assured that the information provided would be treated confidentially and used strictly for academic purposes. Follow-up visits were made to improve the questionnaire retrieval rate.

Method of Data Analysis

The data collected were coded and analysed using the Statistical Package for the Social Sciences (SPSS). Descriptive statistics, including frequencies, percentages, means and standard deviations, were used to summarise the demographic characteristics of respondents and the study variables. Testing the hypotheses, Pearson Product-Moment Correlation and multiple regression analysis were employed. Pearson correlation determined the direction and strength of the relationships between the dimensions of environmental scanning and strategic

decision quality, while multiple regression determined the extent to which economic, regulatory/political and technological environmental scanning jointly and independently predict strategic decision quality. The hypotheses were tested at a 0.05 level of significance. The null hypotheses were rejected where the calculated probability value is less than 0.05; otherwise, was not to be rejected.

Model Specification

The functional relationship between the variables can be expressed as:

$$[SDQ = \beta_0 + \beta_1 EES + \beta_2 RPS + \beta_3 TES + \text{Var } \epsilon]$$

Where:

SDQ = Strategic Decision Quality

EES = Economic Environmental Scanning

RPS = Regulatory/Political Environmental Scanning

TES = Technological Environmental Scanning

β_0 = Constant

β_1 – β_3 = Regression coefficients

ϵ = Error term.

The model enabled the study to determine whether and to what extent the three dimensions of environmental scanning explain variations in strategic decision quality among DMBs in Delta State.

Table 1: Descriptive Analysis Framework

The demographic and substantive characteristics of respondents presented using frequencies, percentages, means and standard deviations.

Variable	Categories/Measurement	Statistical Technique
Gender	Male/Female	Frequency & Percentage
Age	Age categories	Frequency & Percentage
Educational Qualification	Relevant categories	Frequency & Percentage
Management Position	Branch Manager, Operations Manager, Risk Manager, etc.	Frequency & Percentage
Years of Experience	Experience categories	Frequency & Percentage
Economic Environmental Scanning	Likert-scale items	Mean & Standard Deviation
Regulatory/Political Environmental Scanning	Likert-scale items	Mean & Standard Deviation
Technological Environmental Scanning	Likert-scale items	Mean & Standard Deviation
Strategic Decision Quality	Likert-scale items	Mean & Standard Deviation

Table 2: Suggested Interpretation of Mean Scores

Mean Range	Interpretation
1.00-1.80	Very Low
1.81-2.60	Low
2.61-3.40	Moderate
3.41-4.20	High
4.21-5.00	Very High

This classification was used to interpret respondents' perceptions of environmental scanning and strategic decision quality.

Table 3: Pearson Correlation Analysis

Pearson Product-Moment Correlation was utilized to establish the direction and strength of the relationships between each dimension of environmental scanning and strategic decision quality.

Variables	EES	RPS	TES	SDQ
Economic Environmental Scanning (EES)	1.000	-	-	r_1
Regulatory/Political Environmental Scanning (RPS)	-	1.000	-	r_2
Technological Environmental Scanning (TES)	-	-	1.000	r_3
Strategic Decision Quality (SDQ)	r_1	r_2	r_3	1.000
Sig. (2-tailed)	-	-	-	p-values

Where:

- i. r_1 = correlation between EES and SDQ
- ii. r_2 = correlation between RPS and SDQ
- iii. r_3 = correlation between TES and SDQ

Table 4: Suggested interpretation of correlation coefficients

Absolute r-value	Interpretation
0.00–0.19	Very weak relationship
0.20–0.39	Weak relationship
0.40–0.59	Moderate relationship
0.60–0.79	Strong relationship
0.80–1.00	Very strong relationship

The actual interpretation based on the obtained SPSS coefficients, rather than assuming that a relationship exists before analysis.

Table 5: Multiple Regression Model Summary

The regression analysis examined the combined predictive effect of economic, regulatory/political and technological environmental scanning on strategic decision quality.

Model	R	R ²	Adjusted R ²	Std. Error of Estimate
1	R	R ²	Adjusted R ²	SEE

Interpretation

- i. **R** indicates the strength of the overall relationship between the three environmental scanning dimensions and strategic decision quality.
- ii. **R²** indicates the proportion of variance in strategic decision quality jointly explained by EES, RPS and TES.
- iii. **Adjusted R²** provides a more conservative estimate of explained variance after accounting for the number of predictors.
- iv. **Standard Error of Estimate** indicates the average prediction error of the regression model.

Table 6: Analysis of Variance (ANOVA) for Regression Model

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	SS ₁	3	MS ₁	F	p
Residual	SS ₂	150	MS ₂	-	-
Total	SS ₃	153	-	-	-

Interpretation

The ANOVA table determines whether the regression model as a whole is statistically significant.

- i. If $p < 0.05$, the regression model is statistically significant.
- ii. If $p \geq 0.05$, the regression model is not statistically significant.

With 154 respondents and three predictors:

$$df_{\text{regression}} = 3, df_{\text{regression}} = 3$$

$$df_{\text{residual}} = 154 - 3 - 1 = 150, df_{\text{residual}} = 154 - 3 - 1 = 150$$

$$df_{\text{total}} = 154 - 1 = 153, df_{\text{total}} = 154 - 1 = 153$$

Table 7: Regression Coefficients

Predictor	Unstandardised B	Std. Error	Standardised Beta (β)	t	Sig.
Constant	β_0	SE	-	t	p
Economic Environmental Scanning (EES)	β_1	SE	β_1	t	p
Regulatory/Political Environmental Scanning (RPS)	β_2	SE	β_2	t	p
Technological Environmental Scanning (TES)	β_3	SE	β_3	t	p

This table is particularly important because it establishes the individual contribution of each independent variable to strategic decision quality.

Table 8: Interpretation of the Coefficients

Result	Interpretation
Positive B/ β	Increase in the predictor is associated with an increase in SDQ
Negative B/ β	Increase in the predictor is associated with a decrease in SDQ
$p < 0.05$	Predictor has a statistically significant effect
$p \geq 0.05$	Predictor does not have a statistically significant effect
Larger absolute β	Relatively stronger contribution to SDQ, holding other predictors constant

Table 9: Hypotheses Testing Framework

Based on the three dimensions of environmental scanning, the hypotheses were analysed as follows:

Hypothesis	Statistical Test	Decision Rule	Conclusion
H₀₁: Economic environmental scanning has no significant relationship with strategic decision quality of DMBs in Delta State.	Pearson correlation / Regression	Reject H ₀₁ if $p < 0.05$	Based on obtained p-value
H₀₂: Regulatory/political environmental scanning has no significant relationship with strategic decision quality of DMBs in Delta State.	Pearson correlation / Regression	Reject H ₀₂ if $p < 0.05$	Based on obtained p-value
H₀₃: Technological environmental scanning has no significant relationship with strategic decision quality of DMBs in Delta State.	Pearson correlation / Regression	Reject H ₀₃ if $p < 0.05$	Based on obtained p-value

Table 10: Overall Statistical Analysis Matrix

Research Objective	Research Question	Hypothesis	Variables	Statistical Technique
Determine the relationship between economic environmental scanning and strategic decision quality	What is the relationship between economic environmental scanning and strategic decision quality?	H ₀₁	EES SDQ	Pearson Correlation; Multiple Regression
Determine the relationship between regulatory/political environmental scanning and strategic decision quality	What is the relationship between regulatory/political environmental scanning and strategic decision quality?	H ₀₂	RPS SDQ	Pearson Correlation; Multiple Regression
Determine the relationship between technological environmental scanning and strategic decision quality	What is the relationship between technological environmental scanning and strategic decision quality?	H ₀₃	TES SDQ	Pearson Correlation; Multiple Regression
Determine the combined influence of environmental scanning dimensions on strategic decision quality	To what extent do EES, RPS and TES jointly predict SDQ?	Overall regression model	EES + RPS + TES SDQ	Multiple Regression

Table 11: Final Regression Model for Empirical Analysis

The proposed empirical model is:

$$SDQ = \beta_0 + \beta_1 EES + \beta_2 RPS + \beta_3 TES + \varepsilon$$

Symbol	Variable	Role
SDQ	Strategic Decision Quality	Dependent variable
EES	Economic Environmental Scanning	Independent variable 1
RPS	Regulatory/Political Environmental Scanning	Independent variable 2
TES	Technological Environmental Scanning	Independent variable 3
β_0	Constant	Intercept
β_1	Coefficient of EES	Effect of EES on SDQ
β_2	Coefficient of RPS	Effect of RPS on SDQ
β_3	Coefficient of TES	Effect of TES on SDQ
ε	Error term	Unexplained variation

Discussion of Findings

The central concern of this study was to examine whether environmental scanning is associated with the quality of strategic decisions made by Deposit Money Banks (DMBs) in Delta State, Nigeria. The analytical framework conceptualised environmental scanning through economic, regulatory/political and technological dimensions, while strategic decision quality was assessed in terms of accuracy, timeliness, strategic alignment and adaptability. This conceptualisation is particularly appropriate to the Nigerian banking environment because DMBs operate within a context characterised by regulatory intervention, economic volatility, technological transformation and changing customer expectations. The theoretical framework of the study, Open System Theory and Information Processing Theory offer complementary explanations of this relationship. Open Systems Theory views organisations as systems that depend on continuous exchanges with their environments, whereas Information Processing Theory explains why organisations operating under uncertainty require mechanisms for acquiring, interpreting and utilising information. Thus, environmental scanning can be understood not simply as information collection but as an organisational capability through which environmental signals are transformed into information relevant to strategic choice. The manuscript similarly positions scanning as a mechanism for identifying opportunities and threats and reducing information gaps in decision-making.

The proposed relationship between economic environmental scanning and strategic decision quality is theoretically persuasive. DMBs are very sensitive to the changes in inflation, interest rates, exchange rates, monetary policy, liquidity conditions and general economic activity. Economic developments can change the cost of funds, customers' borrowing capacity, credit risk, investment opportunities and banks' profitability. Therefore, managers who systematically scan economic indicators are potentially better positioned to anticipate changes and to incorporate them into strategic decisions. This argument is in line with the broader environmental-scanning literature cited in this study. Similarly, Harris (2025) conceptualises

environmental scanning as a continuing process through which organisations identify trends, events and relationships that may affect their current and future direction. The implication is that the value of economic scanning lies not in prediction alone but in reducing the possibility that strategic choices will be based on obsolete assumptions.

This interpretation also aligns with the Open Systems Theory. If banks are open systems, economic changes constitute environmental inputs to which organisational processes and outputs must respond. Failure to detect significant economic signals may therefore create a gap between environmental change and managerial response. In line with the Information Processing Theory, merely possessing economic information does not guarantee superior decisions. The information must be timely, relevant, interpreted correctly and incorporated into organisational decision processes. This distinction is important because excessive or poorly filtered information may generate complexity rather than decision clarity. The contribution of economic environmental scanning to decision quality should therefore be understood as contingent upon the bank's capacity to process and translate environmental intelligence into actionable strategic knowledge.

The regulatory/political factor is arguably more important in the Nigerian banking setting as banking is heavily influenced by monetary, prudential and institutional regulation. The document mentions the changes in monetary policy such as Monetary Policy Rate, Cash Reserve Requirement as examples of environmental changes that can affect the strategic decisions of banks. It also identifies the recapitalisation programme as a fundamental structural development that forces banks to have a rethink of capital mobilisation, risk management, competitiveness and potential market strategies. From the foregoing, regulatory scanning is not to be seen as a passive compliance exercise. It is a strategic information process whereby managers foresee the regulatory effects and adjust organisational resources and strategies before the changes become operational constraints. This approach is in line with the theoretical assumptions of the study, but also extends them in an important way. When environmental changes are frequent and possibly consequential, regulatory information may have greater strategic significance. Managers in highly regulated industries that are able to notice regulatory signals early may have more time to analyse alternative courses of action, mobilise resources and coordinate organisational responses. Conversely, regulatory scanning that takes place after implementation of formal policy may have little strategic relevance because the organisation has already lost part of its response window. Thus the quality of regulatory scanning may depend not only on the volume of information that is acquired but on the extent to which managers recognise, evaluate and explain its strategic significance.

In a similar vein, the technological environmental scanning dimension is vital, although its method may differ from that of the economic and regulatory scanning. Nigerian banking is undergoing significant digital change powered by fintech, mobile banking, data analytics, artificial intelligence and other technology-enabled financial services. The paper emphasises that technological changes have altered customer expectations and competition dynamics, and argues that managers who systematically monitor such developments may be better positioned to make timely and strategically suitable decisions.

This position is consistent with Guangming and Yanqing (2024) who link environmental scanning and information processing to making strategic choices under uncertainty. It is also consistent with the study of Song et al (2024) which argues that environmental scanning and cross-functional coordination are important mechanisms to process environmental information and respond to environmental change. However, the relationship between technological scanning and strategic decision quality should not be reduced to a simple assumption that greater awareness of technology automatically produces better strategic decisions. Technological environments are characterised by rapid innovation, uncertainty about adoption outcomes and significant investment requirements. Banks may identify numerous technological opportunities but still make poor decisions if managers overestimate the commercial value of emerging technologies, underestimate implementation risks or fail to align technological investments with organisational capabilities and customer needs. This provides an important avenue for interpreting any empirical result obtained for technological scanning. A strong association would suggest that technological intelligence is strategically valuable, whereas a weak association could indicate that information acquisition alone is insufficient without complementary capabilities such as analytical competence, organisational learning, innovation capability and implementation capacity.

The findings, when interpreted within the study's theoretical framework, have implications for Information Processing Theory in particular. The theory suggests that increasing environmental uncertainty increases the need for organisational information-processing capacity. The present research applies this proposition to the banking sector by disaggregating environmental scanning into economic, regulatory/political and technological domains. This is potentially a useful theoretical contribution because it moves beyond treating environmental scanning as a single undifferentiated construct. The three dimensions represent distinct categories of environmental information that may create different forms of uncertainty and require different managerial responses. The study therefore provides a basis for considering environmental scanning as a multidimensional information-processing mechanism rather than simply an aggregate strategic-management practice. The study also has implications for Open Systems Theory. The theory explains why DMBs cannot make strategic decisions independently of their environments: changes in the external environment continually generate inputs that must be interpreted and incorporated into organisational responses. However, the present framework suggests that environmental openness alone does not explain strategic decision quality. The crucial intervening process is the organisation's ability to acquire, interpret and use environmental information. In this sense, the study potentially bridges Open Systems Theory and Information Processing Theory: the former explains why environmental information matters, while the latter explains how that information can contribute to better decisions. This integration offers a better theoretical explanation of strategic decision quality in dynamic financial institutions. The contribution of the study, however, needs to be interpreted with caution. The paper itself describes the design as appropriate for examining relationships at a particular point in time. Consequently, even a statistically significant relationship between environmental scanning and strategic decision quality should be interpreted as evidence of association rather than conclusive proof that scanning causes superior decisions. Reverse causality is also theoretically possible: banks with

stronger strategic decision processes may invest more heavily in environmental scanning. Similarly, an omitted organisational capability such as managerial competence, organisational learning, analytical capability or strategic flexibility could influence both environmental scanning and strategic decision quality.

Several limitations should therefore be recognised. First, the proposed population consists of approximately 250 managerial and senior-level personnel, with a calculated sample of 154 respondents. The relatively focused sample enhances contextual relevance but limits the extent to which findings can be generalised beyond selected DMBs in Delta State. Second, purposive selection of knowledgeable managerial respondents, while substantively defensible, may introduce respondent-selection bias. Managers may also report more favourable assessments of their organisations' scanning practices and strategic decision quality because of social desirability or organisational loyalty. Third, the use of self-reported questionnaire data creates the possibility of common-method bias because both environmental scanning and strategic decision quality are assessed through the same instrument. Fourth, the study focuses on three environmental dimensions and therefore does not exhaust the environmental forces confronting banks. Competitive intensity, socio-cultural changes, demographic shifts and environmental sustainability pressures may also influence strategic decisions.

Future research should consequently adopt longitudinal designs to establish whether changes in environmental scanning precede changes in strategic decision quality. Researchers should also extend the model by examining mediating mechanisms such as organisational learning, analytical capability, strategic flexibility or managerial cognition, and moderating variables such as environmental dynamism, organisational size and technological capability. Multi-source research involving managers, board-level decision-makers and objective organisational indicators would further reduce common-method concerns. Comparative studies across different Nigerian geopolitical regions and between DMBs and other financial institutions would also establish whether the relationships identified are context-specific or reflect broader characteristics of the Nigerian financial-services industry. Finally, future studies could employ structural equation modelling to examine the multidimensional structure of environmental scanning and test more sophisticated direct, mediating and moderating relationships. Such approaches would provide stronger evidence concerning not merely whether environmental scanning matters, but when, how and under what organisational conditions it translates environmental intelligence into high-quality strategic decisions.

Conclusion

This study examined the relationship between environmental scanning and strategic decision quality among Deposit Money Banks (DMBs) in Delta State, Nigeria. Specifically, the study sought to determine the relationships between economic environmental scanning and strategic decision quality, regulatory/political environmental scanning and strategic decision quality, and technological environmental scanning and strategic decision quality. It further sought to establish the extent to which these three dimensions jointly explain variations in strategic decision quality. It conceptualised strategic decision quality in terms of accuracy, timeliness, strategic alignment and adaptability, while environmental scanning was

operationalised through economic, regulatory/political and technological dimensions. The study's analytical framework indicates that environmental scanning is theoretically and strategically relevant to the quality of decisions made by DMBs operating in a dynamic and uncertain environment. The Pearson correlation and multiple regression analyses were designed to establish the direction, strength and predictive contribution of each environmental scanning dimension. However, the results tables supplied in the work present statistical placeholders rather than the actual obtained coefficients and significance values. Consequently, definitive claims regarding which hypotheses were rejected or retained, the magnitude of the relationships, and the explanatory power of the regression model cannot be responsibly made based on the available results.

Theoretically, the study provides a useful basis for integrating Open Systems Theory and Information Processing Theory in explaining strategic decision quality. Open Systems Theory establishes why banks must continuously monitor their external environment, while Information Processing Theory explains how acquired environmental information can reduce uncertainty and support more informed decisions. The study's multidimensional treatment of environmental scanning further suggests that economic, regulatory/political and technological information may constitute distinct sources of environmental uncertainty requiring appropriate organisational information-processing capabilities. Subsequent studies should employ longitudinal designs to determine whether improvements in environmental scanning precede improvements in strategic decision quality. Researchers could examine organisational learning, analytical capability, managerial cognition and strategic flexibility as possible mediating mechanisms, while environmental dynamism, organisational size and technological capability could be investigated as moderators. Multi-source data and objective organisational indicators would also help reduce common-method bias and strengthen the validity of conclusions. It is limited by its cross-sectional design, relatively focused sample of managerial and senior-level personnel, purposive respondent selection and reliance on self-reported data. Its focus on only three environmental dimensions also leaves other potentially influential forces insufficiently examined. Future research should therefore broaden the geographical and institutional scope and employ more sophisticated methods such as structural equation modelling.

Recommendations

Based on the objectives and the overall thrust of the study on environmental scanning and strategic decision quality of Deposit Money Banks (DMBs) in Delta State, Nigeria, the following recommendations are made:

- i. DMBs should institutionalise systematic economic environmental scanning. Bank management should establish structured processes for the continuous monitoring of inflation, interest rates, exchange-rate developments, monetary policy, liquidity conditions, credit conditions and other relevant economic indicators. Such information should be regularly analysed and communicated to strategic decision-makers, so that banks are able to anticipate economic developments and make timely, accurate and strategically aligned decisions. This is particularly relevant because economic developments can affect the business of lending, investing, credit risk,

- profitability and resource allocation. Banks should strengthen regulatory and political environmental scanning.
- ii. Management should develop dedicated processes for tracking changes in banking regulations, monetary-policy directives, prudential requirements, recapitalisation policies and other government actions that may affect banking operations. Regulatory intelligence should be incorporated into strategic planning rather than treated solely as a compliance responsibility. Early identification and interpretation of regulatory changes would give managers sufficient time to evaluate their implications, mobilise resources and adjust strategies before such changes become operational constraints.
 - iii. DMBs should improve their technological environmental scanning and analytical capability. Banks should keep a close eye on developments in digital banking, financial technology, artificial intelligence, data analytics, cyber security and changing consumer tastes. However, technological information should be subjected to rigorous strategic and financial evaluation before investment decisions are made. Management should thus build employees' analytical, digital and innovation capabilities so that technological opportunities are translated into viable strategic choices instead of technology adoption for its own sake.

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