Contents lists available at Science-Gate

International Journal of Advanced and Applied Sciences

Journal homepage: https://www.science-gate.com/IJAAS.html

The role of strategic planning in enhancing risk management: A study of financial inclusion institutions in Jordan's public sector

Kholoud Al-Ramadhneh, Wided Khiari *

High Institute of Management, University of Tunis, Tunis, Tunisia

ARTICLE INFO

Article history:
Received 16 July 2025
Received in revised form
1 December 2025
Accepted 29 April 2026

Keywords:
Strategic planning
Risk management
Financial inclusion
Government institutions
Jordan

ABSTRACT

This study examined the effect of strategic planning on risk management in Jordanian government institutions involved in financial inclusion, focusing on the Development and Employment Fund, the Agricultural Credit Corporation, and the Orphans' Fund Development Foundation. Data were collected through a comprehensive survey using a structured questionnaire, and a descriptive-inferential approach was applied to analyze the results. The sample consisted of 229 employees in leadership and supervisory roles. The findings showed a strong and significant relationship between strategic planning and risk management. The dimensions of strategic vision, strategic objectives, strategic analysis, and strategic choice had a positive and significant impact on risk management, while the strategic mission dimension did not show a significant effect. The study recommends strengthening the culture of strategic planning by raising employee awareness and involving staff in developing strategic plans, which can enhance understanding, organizational belonging, and commitment. It also highlights the critical importance of effective risk management in enabling institutions to anticipate and address potential threats to their operational stability.

1. Introduction

Strategic planning has become a cornerstone of modern organizational management, particularly in contexts where rapid environmental change and increasing uncertainty demand proactive approaches. It enables organizations to define their mission, vision, and objectives while formulating strategies that ensure long-term sustainability (David et al., 2023). Beyond guiding decision-making, strategic planning provides the structured foresight necessary to anticipate risks, align resources with priorities, and adapt to shifting conditions. This proactive orientation makes it a critical driver of organizational excellence.

Equally important is risk management, which has evolved into a strategic imperative rather than a purely operational concern. Risks, whether financial, operational, or reputational, are embedded in every organizational activity. Effective risk management requires not only the identification of potential threats but also the integration of mitigation strategies into decision-making and policy implementation (ISO, 2018). In public sector institutions, particularly those focused on financial inclusion, risk management plays a crucial role in delivering reliable, equitable, and sustainable services.

In Jordan, financial inclusion has become a national priority under the Economic Modernization Vision, aimed at reducing poverty and empowering marginalized groups such as women and youth. Public institutions responsible for financial inclusion face heightened risks linked to resource constraints, operational inefficiencies, and socio-economic volatility. Their ability to implement robust strategic planning practices directly influences how effectively they can anticipate, mitigate, and manage such risks.

While prior studies in the Arab region have examined strategic planning and risk management separately, limited empirical work has investigated their interaction within public financial institutions. This study addresses that gap by exploring how strategic planning enhances risk management capacity in Jordan's public sector institutions for financial inclusion. The findings are expected to enrich the regional literature, provide comparative insights for policymakers, and strengthen the role of

* Corresponding Author.
Email Address: khiariwided@yahoo.fr (W. Khiari)
https://doi.org/10.21833/ijaas.2026.04.025
Corresponding author's ORCID profile:
https://orcid.org/0000-0001-7248-2780

planning as a strategic lever for sustainable service delivery.

2. Theoretical background and literature review

In today's turbulent and highly competitive environment, strategic planning is increasingly recognized as an essential mechanism for guiding organizational success. It helps institutions articulate their mission and long-term goals while designing strategies that promote adaptability and sustainable growth (George et al., 2019). More than a roadmap for decision-making, strategic planning equips organizations with the foresight to identify potential risks, allocate resources effectively, and remain responsive to evolving external pressures. As such, it is widely regarded as a vital enabler of organizational performance and resilience, particularly within public sector settings (Wolf and Floyd, 2017; Poister et al., 2014).

Risk oversight has firmly moved from back-office operations to being a strategic imperative for modern organizations. All dimensions of organizational activity, financial, operational, and reputational, carry potential threats. Proper risk governance involves not just spotting these risks but embedding mitigation into policies and decision processes. In public sector bodies, particularly those advancing financial inclusion, strong risk management is key to ensuring services are fair, reliable, and sustainable in uncertain, rapidly changing environments (Zeriouh et al., 2024).

Recent studies highlight the challenges and mechanisms involved in integrating performance management and risk management in public sector organizations (Bracci et al., 2024). Furthermore, frameworks provided by organizations like the OECD offer structured approaches for governments to manage emerging risks, emphasizing the importance of integrating risk management into strategic planning processes.

Empirical evidence indicates that organizations embedding risk management within strategic planning achieve higher resilience, improved performance, and more effective resource allocation (Fraser et al., 2014). Despite these advances, many Arab institutions are still developing risk management practices, often constrained by limited capacity, traditional administrative approaches, and sector-specific challenges (context-specific studies).

Financial inclusion is a critical driver of socio-economic development, particularly in emerging economies, by providing marginalized populations with access to financial services such as savings, credit, and insurance (Wongsin et al., 2025). It enhances competition among financial institutions, encourages product diversification, and focuses on service quality. In Jordan, financial inclusion institutions play a vital role in implementing national development agendas, addressing poverty and unemployment, and promoting inclusive economic growth. However, their success is contingent on the ability to manage risks systematically while pursuing strategic objectives. International evidence suggests that institutions integrating risk management with strategic planning demonstrate higher operational effectiveness and resilience, ensuring that both internal and external risks are adequately addressed (Fraser et al., 2014).

While regional studies provide useful insights, their scope remains limited. International research offers more comprehensive frameworks: Fraser et al. (2014) argued that embedding risk management into strategic planning enhances resilience by treating risks as strategic considerations rather than mere compliance obligations. Kaplan and Mikes (2012) differentiate between preventable, strategic, and external risks, emphasizing the role of strategic foresight in addressing each category. Moinzad and Akbarzadeh (2022) underscored the impact of organizational maturity and leadership commitment in effectively linking planning and risk management, demonstrating how analytical approaches such as Structural Equation Modeling (SEM) improve the predictive power of strategic planning for risk outcomes.

Building on these gaps, the present study contributes by linking strategic planning with risk management in Jordanian financial inclusion institutions. The proposed conceptual framework positions strategic vision, objectives, and analysis as drivers that enhance risk identification, assessment, and control. This integration provides a fresh perspective for both academics and practitioners, advancing understanding beyond descriptive accounts and positioning planning as a dynamic enabler of risk resilience. Moreover, by combining insights from international research with local empirical relevance, this study addresses the critical knowledge gap in the Arab context, offering evidence-based guidance for embedding risk management within strategic planning to achieve institutional excellence.

3. Research methodology

This study employs a descriptive-inferential research design to examine the relationship between strategic planning and risk management in Jordanian public financial institutions. Descriptive statistics summarize sample characteristics and data distribution through tables and graphical representations, providing a foundation for inferential analysis.

Inferential analysis was conducted using multiple regression to assess the predictive effects of strategic planning dimensions on risk management outcomes. Regression was chosen for its robustness in evaluating multiple predictors simultaneously. Although SEM could offer a more sophisticated framework for exploring complex causal relationships, regression was appropriate given the study's focus, sample size, and data characteristics. Future studies may employ SEM to test mediating and moderating effects and perform robustness checks.

Data were collected via structured questionnaires administered to managers responsible for financial inclusion in Jordanian public financial institutions. To reduce potential bias from self-reported responses, anonymity was ensured, items were carefully worded to minimize social desirability effects, and validity and reliability were rigorously tested. Cronbach's alpha values exceeded 0.70 for all scales, confirming internal consistency, and factor analysis verified construct validity.

Based on the literature review cited above. Our hypotheses and conceptual model are presented as follows:

H1: The dimensions of strategic planning have a positive impact on risk management from the perspective of managers in public institutions concerned with financial inclusion in Jordan.

This main hypothesis is further divided into the following sub-hypotheses:

H1.1: The dimensions of strategic planning have a positive impact on risk identification from the perspective of managers in public institutions concerned with financial inclusion in Jordan.

H1.2: The dimensions of strategic planning have a positive impact on risk analysis from the perspective of managers in public institutions concerned with financial inclusion in Jordan.

H1.3: The dimensions of strategic planning have a positive impact on risk assessment from the perspective of managers in public institutions concerned with financial inclusion in Jordan.

H1.4: The dimensions of strategic planning have a positive impact on risk control from the perspective of managers in public institutions concerned with financial inclusion in Jordan.

H1.5: The dimensions of strategic planning have a positive impact on periodic risk monitoring and follow-up from the perspective of managers in public institutions concerned with financial inclusion in Jordan.

Based on the theoretical foundation and prior empirical evidence, the hypothesized relationships among the study variables are summarized in the conceptual model shown in Fig. 1.

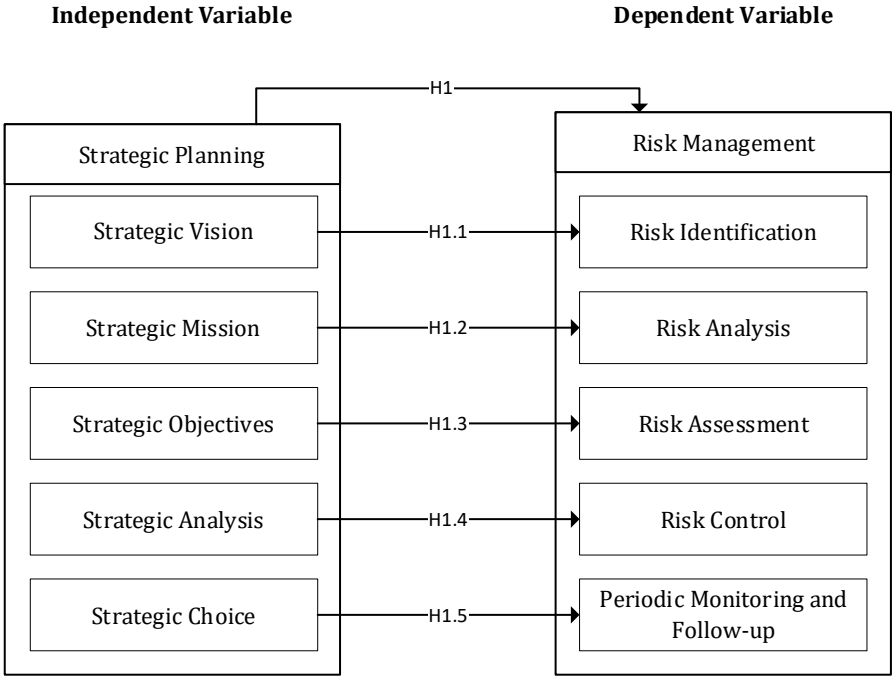

Fig. 1: Conceptual model

The study population consisted of all individuals holding leadership and supervisory positions in government institutions concerned with financial inclusion. These positions included the following job titles: Deputy/Assistant/Advisor to the Director General, Branch Manager, Department Director, Division Head, and Section Head. The study targeted three governmental institutions: the Development and Employment Fund, the Agricultural Credit Corporation, and the Orphans Fund Development Foundation, comprising a total of 229 individuals in the year 2024, according to data obtained from the Human Resources Departments of the respective institutions. The study sample was drawn using a comprehensive survey method. An electronic questionnaire was developed and distributed via the Google Forms platform and disseminated through social media platforms and institutional email networks, targeting all individuals in leadership and supervisory roles. This process was carried out with the assistance of the Human Resources Departments of the respective institutions. A total of 225 responses were received, all of which were valid for the purposes of statistical analysis. Accordingly, the final sample constituted 98.2% of the total study population. The study relied on the following data

sources for data collection: primary sources, where the questionnaire was used as the main tool to collect primary data to achieve the study's objectives. The questionnaire was developed based on the studies of Hussein (2021). In addition, the researcher relied, in the theoretical part of the study, on secondary sources such as books, scientific journals, previous Arabic and foreign research and studies, official websites, documents, and printed materials relevant to the subject of the study.

The reliability of the instrument was tested using the internal consistency method, based on Cronbach's Alpha Coefficient, where the result is considered statistically acceptable if the value exceeds 0.70 (Creswell and Creswell, 2017). In addition, the Split-Half reliability method was employed, which relies on the correlation coefficient between two halves of the scale. The scale is divided into two equivalent parts, and the degree of correlation and consistency in responses or results across both halves is then calculated. The result is deemed statistically acceptable if it exceeds 0.70 (Sekaran and Bougie, 2016). The results of both reliability tests are presented in Table 1.

Table 1: Results of the reliability of the study instrument

Variable	Dimension	Items no.	Cronbach alpha	Split-half coefficient
Strategic planning	Strategic vision	5	0.835	0.817
	Strategic mission	5	0.848	0.777
	Strategic objectives	5	0.837	0.802
	Strategic analysis	6	0.856	0.827
	Strategic choice	5	0.839	0.800
Risk management	Risk identification	5	0.849	0.824
	Risk analysis	6	0.851	0.857
	Risk assessment	6	0.828	0.831
	Risk control	4	0.798	0.800
	Ongoing monitoring and follow-up	5	0.843	0.824
Overall reliability index for all items of the study instrument		52	0.948	0.865

Before testing the hypotheses and ensuring that the statistical methods employed are appropriate for the study model, several conditions must be met, as outlined by Field (2018). The value of the Skewness coefficient was calculated, which measures the degree of asymmetry in the distribution. This test is used to assess the symmetry of data distribution. A value that falls outside the range of ±1 indicates substantial skewness in the distribution. Additionally, the value of Kurtosis was calculated, which measures the peakedness or flatness of the distribution. A positive value indicates a relatively peaked distribution, while a negative value suggests a relatively flat distribution. A distribution is considered normal if the kurtosis value does not exceed ±1.96 at the 0.05 significance level (Hair et al., 2019). The results of the normality test for the collected data are presented in Table 2.

It is evident that the data distribution conforms to a normal distribution, as the values of Skewness fall within the acceptable range of ±1, and Kurtosis values do not exceed the threshold of ±1.96.

By examining the Pearson correlation matrix among the independent dimensions, the absence of multicollinearity can be confirmed if the correlation coefficients do not exceed the threshold of 0.80 (Gujarati, 2021). Following the calculation of the correlation coefficients among the strategic planning dimensions, the values ranged between 0.48 and 0.65, which are considered suitable for conducting statistical analysis, as none of them surpass the 0.80 limit.

Table 2: Results of the skewness and kurtosis test

Statement	Skewness coefficient	Kurtosis coefficient
Strategic vision	-0.661	-0.209
Strategic mission	-0.928	0.419
Strategic objectives	-0.716	0.928
Strategic analysis	-0.730	0.811
Strategic choice	-0.668	0.632
Strategic planning	-0.947	0.855
Risk identification	-0.616	0.323
Risk analysis	-0.621	0.389
Risk assessment	-0.490	-0.045
Risk control	-0.533	0.090
Ongoing monitoring and follow-up	-0.491	0.018
Risk management	-0.547	0.190

Hair et al. (2019) emphasized that the Variance Inflation Factor (VIF) is one of the most critical diagnostics for identifying multicollinearity among independent variables. According to the results of this test, if the VIF values do not exceed 5, this indicates the absence of multicollinearity. Furthermore, dividing 1 by the VIF value yields the Tolerance value. A tolerance greater than 0.2 and less than or equal to 1 also confirms the absence of multicollinearity. The results of this test are presented in Table 3.

Table 3: Results of the multicollinearity test

Strategic planning	Strategic vision	Strategic mission	Strategic objectives	Strategic analysis	Strategic choice
Coefficient variance inflation factor	1.979	1.868	2.103	2.020	2.189
Tolerance	0.505	0.535	0.476	0.495	0.457

The results presented in Table 3 clearly indicate that the VIF for each dimension of entrepreneurial orientation is less than 5, and the corresponding Tolerance values exceed 0.2 without surpassing 1. This serves as a strong indication that multicollinearity is not present within the model.

This part focuses on the descriptive analysis of the study's variables and dimensions, aiming to

determine the relative degree of implementation as perceived and reported by the respondents within the study sample. The analysis relied on the arithmetic mean, standard deviation, and percentage values. The results are presented in Table 4.

The results in Table 4 show that the arithmetic means for the dimensions of the independent variable, Strategic Planning, ranged from 3.99 to 4.47, with relatively similar standard deviations, indicating consistent responses across the sample. Among the dimensions, Strategic Mission had the highest meaning, followed by Strategic Vision, Strategic Objectives, Strategic Choice, and Strategic Analysis, all reflecting a strong level of implementation. The overall strategic planning index recorded a mean of 4.22 (SD = 0.545), suggesting that managers perceive a high level of strategic planning adoption in Jordanian public financial institutions focused on financial inclusion.

Similarly, the dimensions of the dependent variable, Risk Management, exhibited means between 4.05 and 4.16, with closely aligned standard deviations, indicating low variability in responses. Risk Identification ranked highest, followed by Continuous Monitoring and Follow-up, Risk Analysis, Risk Control, and Risk Assessment, all showing strong implementation. The overall risk management index recorded a mean of 4.10 (SD = 0.562), reflecting that respondents perceive a high level of risk management practices within these institutions.

4. Results

To test our main hypothesis, Multiple Linear Regression analysis (MLR) was employed. The results of the analysis are presented in Table 5.

The results summarized in Table 5 indicate a strong relationship between strategic planning, with all its dimensions, and risk management, as evidenced by the correlation coefficient (R = 78.8%). The coefficient of determination (R^2 = 0.622) suggests that strategic planning explains 62.2% of the variance in risk management within government institutions concerned with financial inclusion. Analysis of variance (ANOVA) confirms a statistically significant effect of strategic planning on the dependent variable, as indicated by the significance level (p-value = 0.000), which is below the 0.05 threshold. This result affirms the significance of the test at a degree of freedom $(DF) = [(K-1),(N-1)] = (5, 219)$.

Table 4: Descriptive statistics results for the study's variables and dimensions

Dimensions and variables	Arithmetic mean	Standard deviation	Percentage	Level of implementation	Rank
Strategic vision	4.38	0.555	%87.6	High	2
Strategic mission	4.47	0.518	%89.4	High	1
Strategic objectives	4.26	0.556	%85.2	High	3
Strategic analysis	3.99	0.590	%79.8	High	5
Strategic choice	4.05	0.588	%81	High	4
Overall strategic planning scale	4.22	0.454	%84.4	High	
Risk identification	4.16	0.629	%83.2	High	1
Risk analysis	4.11	0.632	%82.2	High	3
Risk assessment	4.05	0.612	%81	High	5
Risk control	4.07	0.639	%81.4	High	4
Continuous monitoring and follow-up	4.13	0.636	%82.6	High	2
Overall risk management scale	4.10	0.562	%82	High	

Table 5: Results of the impact of strategic planning dimensions on risk management (ANOVA)

Model	Sum of squares	Degree of freedom (df)	Mean square	F-statistic	p-value
Regression	44.001	5	8.800		
Residual	26.794	219	0.122	71.929	0.000*
Total	70.795	224			

		Coefficient				
Dependent variable	**Strategic planning**	**B**	**SE**	**Beta**	**T-statistic**	**p-value**
Risk management	Constant	0.135	0.227		0.594	0.553
	Strategic vision	0.120	0.059	0.118	2.023	0.044*
	Strategic mission	0.104	0.062	0.096	1.687	0.093
	Strategic objectives	0.246	0.061	0.243	4.030	0.000*
	Strategic analysis	0.206	0.056	0.216	3.657	0.000*
	Strategic choice	0.275	0.059	0.287	4.673	0.000*

R: 0.788; squared: 0.622; Adjusted R-squared: 0.613; *: Statistically significant p ≤ 0.05; The critical T-value at degrees of freedom (1.96) = (N-1); The critical F-value at degrees of freedom (K-1) – (N-1) = (2.21)

The regression coefficients in Table 5 reveal that four dimensions—strategic vision, strategic objectives, strategic analysis, and strategic choice—significantly contribute to risk management, as shown by their p-values (< 0.05) and T-values exceeding the critical value of 1.96. Conversely, the dimension of strategic mission did not exhibit a statistically significant contribution, with its p-value exceeding 0.05 and T-value below 1.96. According to the standardized coefficients in Table 5, Beta values indicate the relative contribution of each dimension: a one-unit increase in strategic vision results in a 0.118 increase in risk management; strategic objectives leads to a 0.243 increase; strategic analysis contributes 0.216; and strategic choice has the highest impact at 0.287. Thus, strategic choice ranks first in influencing risk management, followed by strategic objectives, strategic analysis, and strategic vision. All significant dimensions exhibit a positive relationship with risk management, as

reflected by the direction and magnitude of their Beta values.

The findings highlight the distinct role each dimension plays in enhancing the institutions' ability to anticipate risks and develop effective strategies. Strategic vision provides the overarching framework for achieving long-term goals and proactively addressing potential risks. Strategic objectives serve as concrete benchmarks for evaluating risks relative to institutional priorities. Strategic analysis identifies internal and external factors that affect risk exposure, supporting informed decision-making. Strategic choice empowers decision-makers to select optimal mitigation strategies based on available resources and anticipated outcomes, enhancing institutional agility and resilience.

The lack of a statistically significant effect of strategic mission may be attributed to its focus on organizational values and identity, which are broad and not directly tied to day-to-day risk management operations. While the mission is important for fostering a strong organizational culture, managers appear to prioritize dimensions directly involved in risk identification, evaluation, and strategic response, rendering the mission's influence less prominent in this context.

4.1. Results of testing H1.1

To test this hypothesis, MLR was employed. The results were as Table 6. The results of the model summary, as presented in Table 6, indicate a strong relationship between strategic planning and risk identification, with a correlation coefficient (R) of 71.6%. The coefficient of determination (R^2 = 0.513) suggests that 51.3% of the variance in risk identification is explained by the dimensions of strategic planning within public institutions for financial inclusion in Jordan.

Analysis of variance (ANOVA) confirms a statistically significant effect of strategic planning on the dependent variable, as indicated by the F-test significance value (p-value = 0.000), which is below the 0.05 threshold, at a degree of freedom $DF = [(K-1),(N-1)] = (5/219)$.

The regression coefficients in Table 6 show that four dimensions, strategic mission, strategic objectives, strategic analysis, and strategic choice, have a statistically significant impact on risk identification, with p-values less than 0.05 and T-values exceeding the critical value of 1.96. In contrast, strategic vision does not contribute significantly, as its p-value exceeds 0.05 and its T-value falls below 1.96.

Standardized Beta values further indicate the strength and direction of these effects. A one-unit increase in strategic mission is expected to increase risk identification by 0.139 units, strategic objectives by 0.266 units, strategic analysis by 0.174 units, and strategic choice by 0.252 units. Accordingly, strategic objectives have the largest impact on risk identification, followed by strategic choice, strategic analysis, and strategic mission. All significant dimensions show a positive relationship with the dependent variable, as reflected in their Beta values.

In summary, the findings demonstrate a positive effect of the dimensions of strategic planning, strategic mission, strategic objectives, strategic analysis, and strategic choice on risk identification, as perceived by managers within public institutions for financial inclusion in Jordan.

Table 6: Results of the effect of strategic planning dimensions on risk identification

Model	Sum of squares	Degree of freedom (df)	Mean square	F-statistic	p-value
Regression	45.528	5	9.106		
Residual	43.227	219	0.197	46.132	0.000*
Total	88.756	224			
		Coefficient			
Dependent variable	**Strategic planning**	**B**	**SE**	**Beta**	**T-statistic**	**p-value**
Risk identification	Constant	0.103	0.288		0.359	0.720
	Strategic vision	0.042	0.075	0.037	0.553	0.581
	Strategic mission	0.169	0.078	0.139	2.158	0.032*
	Strategic objectives	0.301	0.077	0.266	3.892	0.000*
	Strategic analysis	0.186	0.071	0.174	2.596	0.010*
	Strategic choice	0.269	0.075	0.252	3.609	0.000*

R: 0.716; R-squared: 0.513; Adjusted R-squared: 0.502; *: Statistically significant p ≤ 0.05; The critical T-value at degrees of freedom (1.96) = (N-1); The critical F-value at degrees of freedom (K-1) – (N-1) = (2.21)

4.2. Result of testing H1.2

To test this hypothesis, the study employed the MLR method. The results are presented in Table 7. The summary model results, as presented in Table 7, indicate a strong and statistically significant relationship between strategic planning dimensions and risk analysis, with a correlation coefficient (R) of 73.6%. The coefficient of determination (R^2 = 0.541) suggests that 54.1% of the variance in risk analysis is explained by strategic planning dimensions within government institutions concerned with financial inclusion in Jordan. Analysis of variance (ANOVA) further confirms a statistically significant impact of strategic planning on risk analysis, as indicated by the F-test significance value (p-value = 0.000), which is below the 0.05 threshold, at degrees of freedom $DF = [(K-1)-(N-1)] = (5/219)$.

The regression coefficients in Table 7 reveal that four dimensions, strategic vision, strategic objectives, strategic analysis, and strategic choice, significantly contribute to risk analysis, with p-values below 0.05 and T-values exceeding the critical value of 1.96. In contrast, strategic mission does not have a statistically significant effect, as its p-value exceeds 0.05 and its T-value falls below 1.96.

Table 7: Results of the impact of strategic planning dimensions on risk analysis

Model	Sum of squares	Degree of freedom (df)	Mean square	F	p-value
Regression	48.487	5	9.697		
Residual	41.059	219	0.187	51.723	0.000*
Total	89.546	224			

		Coefficient				
Dependent variable	**Strategic planning**	**B**	**SE**	**Beta**	**F-statistic**	**p-value**
Risk analysis	Constant	0.007	0.281		0.025	0.980
	Strategic vision	0.196	0.073	0.172	2.669	0.008*
	Strategic mission	0.020	0.076	0.017	0.265	0.791
	Strategic objectives	0.283	0.075	0.248	3.744	0.000*
	Strategic analysis	0.194	0.070	0.181	2.781	0.006*
	Strategic choice	0.292	0.073	0.271	4.008	0.000*

R: 0.736; R-squared: 0.541; Adjusted R-squared: 0.531; *: Statistically significant $p \leq 0.05$; The critical T-value at degrees of freedom (1.96) = (N-1); The critical F-value at degrees of freedom (K-1) – (N-1) = (2.21)

Standardized Beta values indicate the strength and direction of these relationships: a one-unit increase in strategic vision corresponds to a 0.172 increase in risk analysis; strategic objectives lead to a 0.248 increase; strategic analysis to a 0.181 increase; and strategic choice to a 0.271 increase. Accordingly, strategic choice has the greatest impact, followed by strategic objectives, strategic analysis, and strategic vision. All significant dimensions show a positive relationship with risk analysis.

In conclusion, the findings demonstrate a positive and statistically significant impact of the strategic planning dimensions strategic vision, strategic objectives, strategic analysis, and strategic choice on risk analysis, as perceived by managers in government institutions concerned with financial inclusion in Jordan.

4.3. Result of testing H1.3

To test this hypothesis, MLR analysis was employed. The findings of this test are summarized in Table 8, which presents the results regarding the impact of the various dimensions of strategic planning on risk evaluation.

Table 8: Results of the impact of strategic planning dimensions on risk evaluation

Model	Sum of squares	Degree of freedom (df)	Mean square	F-statistic	p-value
Regression	41.036	5	8.207		
Residual	42.955	219	0.196	41.844	0.000*
Total	83.991	224			

		Coefficient				
Dependent variable	**Strategic planning**	**B**	**SE**	**Beta**	**T-statistic**	**p-value**
Risk assessment	Constant	0.185	0.287		0.642	0.521
	Strategic vision	0.103	0.075	0.093	1.367	0.173
	Strategic mission	0.161	0.078	0.137	2.068	0.040*
	Strategic objectives	0.176	0.077	0.160	2.276	0.024*
	Strategic analysis	0.182	0.071	0.175	2.550	0.011*
	Strategic choice	0.303	0.074	0.291	4.073	0.000*

R: 0.699; R-squared: 0.489; Adjusted R-squared: 0.477; *: Statistically significant $p \leq 0.05$; The critical T-value at degrees of freedom (1.96) = (N-1); The critical F-value at degrees of freedom (K-1) – (N-1) = (2.21)

The results summarized in Table 8 demonstrate the presence of a strong and statistically significant relationship between strategic planning, in all its dimensions, and risk assessment. This is clearly reflected in the correlation coefficient (R), which reached a value of 0.699, indicating a robust positive association. Furthermore, the coefficient of determination (R^2) was calculated at 0.489, suggesting that the dimensions of strategic planning collectively explain 48.9% of the variance in risk assessment within government institutions engaged in financial inclusion in Jordan. This outcome highlights the substantial explanatory power of strategic planning practices in shaping the processes of risk evaluation and assessment in these institutions.

The analysis of variance (ANOVA) further reinforces this conclusion, as the significance level of the F-test (p-value = 0.000) is far below the accepted threshold of 0.05. This result confirms the statistical significance of the model at a degree of freedom $DF = (5/219)$, underscoring that strategic planning exerts a measurable and meaningful effect on risk assessment. The coefficients in Table 8 provide deeper insights by revealing that four dimensions—strategic mission, strategic objectives, strategic analysis, and strategic choice—have a statistically significant impact on the dependent variable. This conclusion is supported by their p-values (p-value), all of which are less than 0.05, and their calculated T-values, all of which exceed the critical value of 1.96. These findings affirm that these four dimensions contribute significantly to predicting and explaining variations in risk assessment.

In contrast, the dimension of strategic vision did not exhibit a statistically significant influence on risk assessment. Its p-value exceeded the 0.05 threshold, while its calculated T-value fell below the critical tabular value of 1.96. This suggests that, while strategic vision may conceptually guide long-term institutional direction, it does not function as a strong statistical predictor of risk assessment outcomes in this context. The standardized coefficients (Beta values) further clarify the relative

influence of each dimension. Specifically, a one-unit increase in the implementation of the strategic mission was associated with a 0.137 increase in risk assessment, while a similar increase in strategic objectives contributed 0.160. Strategic analysis exerted a slightly stronger effect (with a coefficient of 0.175). The greatest influence was observed for strategic choice, which recorded the highest Beta value of 0.291, indicating that improvements in decision-making regarding alternative courses of action exert the strongest positive effect on risk assessment outcomes. Collectively, these findings confirm that while all significant dimensions contribute positively, strategic choice is the most influential, followed by strategic analysis, strategic objectives, and strategic mission.

Taken together, the findings provide compelling evidence of the positive role of strategic planning in enhancing risk assessment within public institutions concerned with financial inclusion in Jordan. Practically, these results suggest that managers should pay particular attention to strengthening the processes of strategic choice and strategic analysis, as these have the greatest measurable impact on risk assessment capabilities. Theoretically, the results reinforce the broader argument that risk management and assessment are not stand-alone functions but rather are embedded within effective strategic planning practices.

4.4. Result of testing H1.4

To analyze this hypothesis, the MLR test was employed. The results of this statistical analysis were as Table 9. The results of the model summary presented in Table 9 indicate a strong relationship between the dimensions of strategic planning and risk control, as evidenced by the correlation coefficient (R) value of 0.686. The coefficient of determination (R^2) value of 0.471 further indicates that the dimensions of strategic planning explain 47.1% of the variance in risk control within public financial inclusion institutions in Jordan.

Moreover, the analysis of variance (ANOVA) results demonstrates a statistically significant effect of strategic planning on the dependent variable (risk control), as reflected by the F significance value (p-value = 0.000), which is less than the threshold of 0.05. This confirms the significance of the test at the degrees of freedom $DF = [(K-1) - (N-1)] = (5/219)$.

Table 9: Results of the impact of strategic planning dimensions on risk control

Model	Sum of squares	Degree of freedom (df)	Mean square	F-statistic	p-value
Regression	43.118	5	8.624		
Residual	48.478	219	0.221	38.957	0.000*
Total	91.596	224			
		Coefficient			
Dependent variable	**Strategic planning**	**B**	**SE**	**Beta**	**T-statistic**	**p-value**
Risk control	Constant	0.171	0.305		0.561	0.576
	Strategic vision	0.126	0.080	0.110	1.587	0.114
	Strategic mission	0.082	0.083	0.067	0.993	0.322
	Strategic objectives	0.224	0.082	0.195	2.729	0.007*
	Strategic analysis	0.215	0.076	0.198	2.834	0.005*
	Strategic choice	0.288	0.079	0.264	3.636	0.000*

R: 0.686; R-squared: 0.471; Adjusted R-squared: 0.459; *: Statistically significant p ≤ 0.05; The critical T-value at degrees of freedom (1.96) = (N-1); The critical F-value at degrees of freedom (K-1) – (N-1) = (2.21)

The coefficients in Table 9 for this hypothesis reveal that the strategic planning dimensions of strategic objectives, strategic analysis, and strategic choice significantly contribute to influencing the dependent variable (risk control). This is confirmed by the p-values being less than 0.05, alongside the computed T-values exceeding the critical value of 1.96. Conversely, the dimensions of strategic vision and strategic mission did not show a significant impact on risk control, as their p-values exceeded 0.05, and their computed T-values were below the critical value of 1.96. According to the standardized coefficients (Beta) in Table 9, a one-unit increase in the implementation of strategic objectives leads to a 0.195 increase in the level of risk control; a one-unit increase in strategic analysis results in a 0.198 increase; and a one-unit increase in strategic choice causes a 0.264 increase in risk control. Accordingly, the dimension of strategic choice ranks first in terms of its contribution to risk control, followed by strategic analysis, and finally strategic objectives. All these dimensions exhibit a positive relationship based on the Beta values. Therefore, it is evident that there is a positive effect of the strategic planning dimensions (strategic objectives, strategic analysis, and strategic choice) on risk control from the perspective of managers in public financial inclusion institutions in Jordan.

4.5. Result of testing H1.5

To analyze this hypothesis, the MLR test was employed. The results are in Table 10. The results of the model summary presented in Table 10 indicate a strong relationship between the dimensions of strategic planning and periodic monitoring and follow-up, as reflected by the correlation coefficient (R) value of 0.687. The coefficient of determination (R^2) value of 0.472 further demonstrates that the dimensions of strategic planning explain 47.2% of the variance observed in periodic monitoring and follow-up within public financial inclusion institutions in Jordan. Furthermore, the analysis of variance (ANOVA) results confirm a statistically

significant effect of strategic planning on the dependent variable (periodic monitoring and follow-up), evidenced by the F significance value (p-value = 0.000), which is below the 0.05 threshold, thus affirming the significance of the test at degrees of freedom $DF = [(K-1) - (N-1)] = (5/219)$.

The coefficients in Table 10 for this hypothesis reveal that the strategic planning dimensions of strategic objectives, strategic analysis, and strategic choice significantly influence the dependent variable (periodic monitoring and follow-up). This is substantiated by p-values less than 0.05 and computed T-values exceeding the critical value of 1.96. In contrast, the dimensions of strategic vision and strategic mission did not demonstrate a significant effect on periodic monitoring and follow-up, as their p-values were greater than 0.05, and their computed T-values fell below the critical value of 1.96. According to the standardized coefficients (Beta), a one-unit increase in the implementation of strategic objectives leads to a 0.216 increase in the level of periodic monitoring and follow-up; a one-unit increase in strategic analysis corresponds to a 0.243 increase; and a one-unit increase in strategic choice results in a 0.199 increase. Accordingly, the dimension of strategic analysis ranks first in its contribution to periodic monitoring and follow-up, followed by strategic objectives, and finally strategic choice. All three dimensions exhibit a positive relationship as indicated by their Beta values. Therefore, it is evident that there is a positive effect of the strategic planning dimensions (strategic objectives, strategic analysis, and strategic choice) on periodic monitoring and follow-up from the perspective of managers in public financial inclusion institutions in Jordan.

Table 10: Results of the impact of strategic planning dimensions on periodic monitoring and follow-up

Model	Sum of squares	Degree of freedom (df)	Mean square	F-statistic	p-value
Regression	42.813	5	8.563		
Residual	47.933	219	0.219	39.121	0.000*
Total	90.746	224			

		Coefficient				
Dependent variable	**Strategic planning**	**B**	**SE**	**Beta**	**T-statistic**	**p-value**
Periodic monitoring and follow-up	Constant	0.231	0.304		0.761	0.488
	Strategic vision	0.122	0.079	0.107	1.546	0.123
	Strategic mission	0.088	0.082	0.072	1.069	0.286
	Strategic objectives	0.247	0.082	0.216	3.031	0.003*
	Strategic analysis	0.262	0.075	0.243	3.485	0.001*
	Strategic choice	0.215	0.079	0.199	2.736	0.007*

R: 0.687; R-squared: 0.472; Adjusted R-squared: 0.460; *: Statistically significant p ≤ 0.05; The critical T-value at degrees of freedom (1.96) = (N-1); The critical F-value at degrees of freedom (K-1) – (N-1) = (2.21)

5. Discussion

The findings indicate that the dimensions of strategic planning, strategic vision, objectives, analysis, and choice are perceived as highly significant by managers in Jordanian public financial institutions focused on financial inclusion. These results align with Kerzner (2011), who emphasized that a clearly articulated vision and objectives provide a foundation for resilient organizational performance. By defining priorities and anticipating environmental changes, these institutions can proactively address risks and enhance decision-making (Fraser et al., 2014).

Regarding risk management, dimensions such as risk identification, analysis, evaluation, control, and ongoing monitoring are considered critical for institutional effectiveness. This aligns with ISO (2018), which advocates a systematic approach to risk within strategic planning. Empirical evidence further suggests that integrating risk management with planning enhances resilience and performance outcomes (Marc et al., 2023). High adoption levels reflect a proactive institutional culture where managers prioritize addressing high-impact risks to safeguard service delivery.

Regression analysis confirmed a significant positive impact of strategic planning on risk management outcomes. Strategic vision, objectives, analysis, and choice exhibited strong predictive effects across all risk management dimensions, highlighting their role in enhancing institutional resilience. These findings support Fraser et al. (2014), who argued that planning drives risk management integration, and Kaplan and Mikes (2012), who emphasized the importance of distinguishing among preventable, strategic, and external risks for targeted mitigation.

Notably, the strategic mission dimension did not significantly impact risk management, suggesting that while the mission provides overarching purpose, operationalized planning elements—objectives, analysis, and choice more directly shape risk practices (Moinzad and Akbarzadeh, 2022).

Comparisons with international studies indicate that Jordanian institutions are beginning to adopt global best practices. Marc et al. (2023) highlighted the link between planning and risk management in enhancing operational efficiency, while Wongsin et al. (2025) stressed that integrating risk management into strategic decision-making is essential for resilience in resource-constrained contexts.

Overall, the results suggest that integrating strategic planning and risk management is a strategic rather than procedural exercise. Aligning objectives with systematic risk assessment and control can enhance performance, resilience, and sustainability, bridging the gap between descriptive regional studies and advanced international evidence.

5.1. Recommendations

Based on the findings of this study, it is evident that strategic planning significantly enhances risk management in public financial institutions focused on financial inclusion. To translate these findings into practical improvements and ensure sustainable institutional performance, the following recommendations are proposed:

- Emphasize strategic planning as a core organizational tool. Public financial institutions should adopt strategic planning not only as a formal procedure but as a fundamental approach to achieving excellence in service delivery, ensuring that financial services effectively meet the needs of the targeted populations.
- Promote a culture of strategic planning among employees. Managers should raise awareness of the importance of strategic planning and actively involve staff in its formulation and implementation. This participatory approach fosters ownership, commitment, and a sense of belonging, enhancing institutional performance.
- Strengthen strategic analysis processes. Institutions should implement regular monitoring and oversight mechanisms to conduct comprehensive scanning of internal and external environments, enabling informed decision-making and proactive adaptation to mitigate risks.
- Continuously assess and review risk management practices. Financial inclusion institutions should evaluate internal strengths and weaknesses to anticipate potential risks and develop effective mitigation strategies.
- Develop and maintain robust risk databases. Establishing centralized data systems can support accurate risk prediction and facilitate timely responses to potential threats.
- Ensure adherence to procedures aligned with strategic outcomes. Institutions must consistently follow processes that are clearly linked to strategic objectives, promoting efficiency, accountability, and alignment with institutional goals.
- Invest in qualified personnel and training programs. Providing specialized training in risk management enhances the capacity of staff to identify, evaluate, and manage risks effectively, strengthening overall institutional resilience.

6. Conclusion

This study examined the role of strategic planning in enhancing risk management within Jordan's public financial institutions for financial inclusion. The results provide strong evidence that planning processes, particularly the articulation of strategic vision, objectives, and analysis, significantly strengthen risk management capacity. By contrast, the mission dimension was found to be less impactful, suggesting that risk management effectiveness is shaped more by actionable strategies than by declarative statements.

Theoretically, the study contributes by offering a conceptual framework that integrates strategic planning and risk management, positioning planning as a proactive mechanism for risk anticipation and mitigation. This advances prior research in the Arab region, which has often treated the two concepts separately or described them without integration. Practically, the findings provide managers and policymakers with guidance on embedding risk management within planning processes to improve institutional resilience and service delivery.

Nonetheless, some limitations remain. The reliance on self-reported questionnaires raises potential response bias, and the use of regression, while appropriate, does not capture complex causal pathways. Future research could employ SEM or longitudinal designs to provide deeper insights and validate the proposed framework across different contexts.

In sum, this study underscores that strategic planning is not only a managerial tool but also a strategic lever for managing risks in dynamic environments. For Jordanian financial inclusion institutions, embedding risk management within planning processes is essential for achieving national development goals, supporting financial inclusion, and sustaining excellence in public service delivery.

List of abbreviations

ANOVA	Analysis of variance
DF	Degrees of freedom
ISO	International Organization for Standardization
MLR	Multiple linear regression
OECD	Organization for Economic Co-operation and Development
SD	Standard deviation
SEM	Structural equation modeling
SE	Standard error
VIF	Variance inflation factor

Acknowledgment

The authors would like to thank the public financial inclusion institutions in Jordan for their cooperation and support in facilitating data collection for this study. The authors also extend their appreciation to all participants who generously contributed their time and insights. The views expressed in this article are those of the authors and do not necessarily reflect the official positions of the affiliated institutions.

Compliance with ethical standards

Ethical considerations

Participation in this study was voluntary, and informed consent was obtained from all participants prior to data collection. Respondents were assured that their responses would remain anonymous and confidential and would be used solely for academic research purposes. No personally identifiable

information was collected. The study procedures complied with institutional and national ethical standards for social science research.

Conflict of interest

The author(s) declared no potential conflicts of interest with respect to the research, authorship, and/or publication of this article.

References

Bracci E, Bruno A, D'Amore G, and Ievoli R (2024). The integration of performance management and risk management in the public sector: An empirical case. Journal of Management Control, 35: 137-163. https://doi.org/10.1007/s00187-024-00369-2

Creswell JW and Creswell JD (2017). Research design: Qualitative, quantitative, and mixed methods approaches. 5th Edition, SAGE Publications, Thousand Oaks, USA.

David FR, David Fr, and David ME (2023). Strategic management: A competitive advantage, concept and cases. 18th Edition, Pearson, Harlow, UK.

Field A (2018). Discovering statistics using IBM SPSS. 5th Edition, SAGE Publications, London, UK.

Fraser JRS, Simkins B, and Narvaez K (2014). Implementing enterprise risk management: Case studies and best practices. John Wiley & Sons, Hoboken, USA.

George B, Walker RM, and Monster J (2019). Does strategic planning improve organizational performance? A meta-analysis. Public Administration Review, 79(6): 810-819. https://doi.org/10.1111/puar.13104

Gujarati DN (2021). Essentials of econometrics. 5th Edition, SAGE Publications, Thousand Oaks, USA.

Hair JF, Black WC, Babin BJ, and Anderson RE (2019). Multivariate data analysis. 8th Edition, Cengage Learning, Boston, USA.

Hussein MSS (2021). The impact of human resources management on achieving organizational uniqueness: An applied study of Shendi University-Sudan. International Journal of Advanced and Applied Sciences, 8(6): 16-25. https://doi.org/10.21833/ijaas.2021.06.003

ISO (2018). ISO 31000: Risk management: Guidelines. International Standards Organization, Geneva, Switzerland.

Kaplan RS and Mikes A (2012). Managing risks: A new framework. Harvard Business Review, 90(6): 48–60.

Kerzner H (2011). Using the project management maturity model: Strategic planning for project management. 3rd Edition, John Wiley & Sons, Hoboken, USA.

Marc M, Arena M, and Peljhan D (2023). The role of interactive style of use in improving risk management effectiveness. Risk Management, 25: 9. https://doi.org/10.1057/s41283-023-00114-4

Moinzad H and Akbarzadeh MH (2022). How to improve information technology strategic planning effectiveness using balanced scorecard, risk and maturity analysis, case study health information technology? A qualitative study. Health Science Reports, 5(6): e926. https://doi.org/10.1002/hsr2.926 **PMid:36415564 PMCid:PMC9674172**

Poister TH, Aristigueta MP, and Hall JL (2014). Managing and measuring performance in public and nonprofit organizations: An integrated approach. 2nd Edition, John Wiley & Sons, Hoboken, USA.

Sekaran U and Bougie R (2016). Research methods for business: A skill-building approach. 7th Edition, John Wiley & Sons, Chichester, UK.

Wolf C and Floyd SW (2017). Strategic planning research: Toward a theory-driven agenda. Journal of Management, 43(6): 1754-1788. https://doi.org/10.1177/0149206313478185

Wongsin U, Pannoi T, Prutipinyo C, Maruf MA, Pongpattrachai D, Quansri O, and Sattayasomboon Y (2025). Strategic planning and organizational performance in public health sector: A scoping review. BMC Health Services Research, 25: 1017. https://doi.org/10.1186/s12913-025-13206-6 **PMid:40751249 PMCid:PMC12317586**

Zeriouh K, Amara M, Zeriouh S, and Amara S (2024). Navigating uncertainty in public-sector project portfolios: Risk management in resource-constrained environments. Journal of Corporate Governance, Insurance, and Risk Management, 11(4): 216-226. https://doi.org/10.56578/jcgirm110402