

STRATEGIC LEADERSHIP PRACTICES, ENVIRONMENTAL FACTORS AND  
FINANCIAL SUSTAINABILITY OF FAITH-BASED ORGANIZATIONS  
AFFILIATED TO WYCLIFFE GLOBAL ALLIANCE IN AFRICA

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DECLARATION

I declare that this dissertation is my original work and has not been presented in any other college or university for academic credit.

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## DEDICATION

This work is dedicated to my dearly loved wife, Magdalene, and our children; Mercy, Shekinah, and Deborah, who have been a great inspiration during my studies and their support, love, and prayers.

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## ABSTRACT

Maintaining financial sustainability over the long term is vital for faith-based organizations since many offer services to very needy communities. However, faith-based organizations, particularly in Africa, struggle to sustain the financial resources required to effectively realize their mission. This challenge arises from their operating environment characterized by declining donations, reduced funding from their partners, and increased scrutiny of their charitable role from governments. In view of the challenges and the hyper turbulent environment in which faith-based organizations operate, there is a need for these organizations to be led effectively so that their financial sustainability is assured. The purpose of this study was to establish the extent to which strategic leadership practices affect the financial sustainability of faith-based organizations affiliated to Wycliffe Global Alliance in Africa. In order to achieve this purpose, the study investigated the effect of strategic direction, exploiting and maintaining core competencies, developing human capital, and establishing balanced organizational controls on the financial sustainability of organizations affiliated to Wycliffe Global Alliance in Africa. This study also sought to establish the extent to which environmental factors moderated the relationship between strategic leadership practices and financial sustainability of faith-based organizations affiliated to Wycliffe Global Alliance in Africa. This study was anchored on strategic leadership, resource-based view, and adaptive leadership theories. It was based on positivism research paradigm. It adopted explanatory and descriptive research designs. The study was done in 18 faith-based organizations affiliated to the Wycliffe Global Alliance in Africa, which formed the unit of analysis. Data was collected from 198 leaders serving as directors, heads of departments, and heads of units in organizations affiliated to Wycliffe Global Alliance in Africa, which was also the unit of observation. This study adopted a census survey where data was collected from the entire target population. The researcher used primary data collected using a structured questionnaire. Data analysis was done using descriptive and inferential statistics. The results of data analysis were presented in charts, tables and graphs. Descriptive statistics reported means and standard deviations respectively for the study variables; determining strategic direction 4.41 and 0.480, exploiting and maintaining core competencies 3.90 and 0.629, developing human capital 3.79 and 0.647, balanced organizational controls 3.85 and 0.587. Simple and multiple linear regression analyses confirmed that financial sustainability of faith-based organizations affiliated to Wycliffe Global Alliance was highly predicted by strategic leadership practices with the independent variables explaining 71.3 percent of the variation in financial sustainability. The study established that the effect of each strategic leadership practice on financial sustainability of faith-based organizations was significant. Environmental factors were found to positively moderate the relationship between strategic leadership practices and financial sustainability of faith-based organizations. The study concluded that the studied strategic leadership practices if fully utilized and supported could enhance financial sustainability of faith-based organizations affiliated to Wycliffe Global Alliance in Africa. The study recommends that leaders of faith-based organizations affiliated to Wycliffe Global Alliance should provide a favourable environment for core competencies, balanced organizational controls, strategic direction and human capital to be practiced in order to strengthen financial sustainability. The study recommended future research to be conducted in other faith-based organizations in Africa not affiliated to Wycliffe Global Alliance.

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## ABBREVIATIONS AND ACRONYMS

ACATBA	Association Centrafricaine pour la Traduction de la Bible et l'Alphabétisation
ACOTBA SUBO	Association Congolaise pour la Traduction de la Bible et l'Alphabétisation-Sukisa Boyinga
ACTB	Asociasion Christiana De Traducciones Biblicas
ANOVA	Analysis of Variance
ANTBA	Association Nationale pour la Traduction de la Bible et l'Alphabétisation
ATALTRAB	Association Tchadienne de L'alphabétisation, de la Linguistique, et de la Traduction de la Bible
BTL	Bible Translation and Literacy
CABTAL	Cameroon Association for Bible Translation and Literacy
CC	Core Competencies
DRC	Democratic Republic of Congo
ECFE	Evangelical Churches Fellowship of Ethiopia
ECSTD	Episcopal Church of Sudan Translation Department
EECMY	Ethiopian Evangelical Church Mekane Yesus
EF	Environmental Factors
FBO	Faith-based Organization
FS	Financial Sustainability
GDC	Geothermal Development Corporation
GILLBT	Ghana Institute of Linguistics, Literacy and Bible Translation
HC	Human Capital
ITA	Instituto De Traducaao e Alfabetizacao
KMO	Kaiser-Meyer-Olkin
MSE	Micro and Small Enterprises

NACOSTI	National Commission for Science, Technology, and Innovation
NBTT	Nigerian Bible Translation Trust
NGOs	Non-Governmental Organizations
OC	Organizational Controls
PAC University	Pan Africa Christian University
SD	Strategic Direction
SIL	Summer Institute of Linguistics
SLP	Strategic Leadership Practices
SME	Small and Medium Enterprises
SPSS	Statistical Package for Social Sciences
USAID	United States Agency for International Development
US	United States
VIF	Variance Inflation Factor
WGA	Wycliffe Global Alliance, Africa

## DEFINITION OF KEY TERMS

- Core competencies:** Core competencies are the collective learning in the organization, leaning on how to coordinate diverse service provision skills, integrate multiple streams of technologies in order to provide benefit to the beneficiaries (Prahalad & Hamel, 2003).
- Environmental Factors:** The environmental factors refer to those elements existing outside the organization's boundaries; such as economic, political, technological, and social aspects that influence its performance (Richard *et al.*, 2009).
- Faith-Based Organization:** A faith-based organization is a non-profit organization that provides services to society. It is either religiously affiliated or religiously motivated (Goldsmith *et al.*, 2006).
- Financial Sustainability:** Financial sustainability refers to the capability of an organization to maintain funds or resources that give ability to procure opportunities and respond to unanticipated uncertainty while continuing normal operations (Bowman, 2011b).
- Human Capital:** Human capital refers to competencies, skills and knowledge of an organization's entire workforce that enables them to carry out work and produce economic value (Call *et al.*, 2015; Hitt *et al.*, 2016; Mubarik *et al.*, 2018).

- Organizational Controls: Organizational controls are measures that guide the usage of strategy, indicate how the comparison is made between the expected and actual results, and propose the actions to be taken as correction measures when disparity is not acceptable (Hitt *et al.*, 2014).
- Strategic Direction: Strategic direction involves specifying the vision and the strategy or strategies to achieve the vision over time (Hitt *et al.*, 2014).
- Strategic Leadership: Strategic leadership is the ability to anticipate, envision, maintain flexibility, and empower others to create strategic change as necessary so that the organization can have a viable future (Hitt *et al.*, 2016).
- Strategic Leadership Practices: Strategic leadership practices are ways by which leaders create and recreate reasons for the continuous existence within the organization by determining strategic direction, exploiting and maintaining core competencies, developing human capital and establishing balanced organizational controls in order to promote the organizations performance (Alsaadi *et al.*, 2019; Goldman, 2012; Ireland & Hitt, 2005).

## CHAPTER ONE

### INTRODUCTION AND BACKGROUND TO THE STUDY

#### Introduction

This chapter covers the background of the study, problem statement, objectives of the research, research hypotheses, assumptions, rationale, significance, scope, limitations and delimitations of the study.

#### Background to the Study

Increasing volatility, uncertainty, complexity and ambiguity have led to a new and unstable operating environment for both profit-making and non-profit organizations (Currie *et al.*, 2012; Hughes & Beatty, 2011; Stewart *et al.*, 2016). This new environment has resulted in contexts that are unpredictable such that the swift response of a leader in adapting to the context becomes crucial to the survival of an organization (Franklin, 2016). The Covid-19 pandemic is a recent example of disruption for organizations across the world. This incredibly complex health problem meant that organizations could not depend on previously identified solutions or responses (Nganga, 2021). The Covid 19 situation challenged on how leaders influenced change of complex situations away from unfavourable ones and towards favourable outcomes. This is arguably at the core of important and difficult challenges organizations currently face (Dunn, 2020). This situation “calls for more people in organizations to be engaged in strategic leadership” (Hughes & Beatty, 2011, p. 2). Faith-based organizations are particularly affected by this hyper-turbulent environment because of the historical separation between faith and reason which have severe consequences for the way in which faith-based organizations work, how they perceive themselves and those they endeavour to support (Cabodevila, 2020).

The concept of financial sustainability for profit oriented organizations can differ significantly from faith-based organizations that are non-profit in nature because of

differences in the organizations' overarching goals (Mutinda & Ngahu, 2016). According to Bowman (2011b), the financial sustainability of a faith-based organization is "its ability to maintain financial capacity over time" (p. 37). Financial capacity for a faith-based organization is seen in availability of resources to the organization that are required to meet outlined goals (Schatteman & Waymire, 2017). The specific resources required depends on an organization's mission, operating environment, the method of service delivery, and the risk of possible adverse economic occurrences (Bowman, 2011a). Financial sustainability is thus the ability of an organization to maintain resources or funds that give it the capacity to utilize opportunities and respond to unanticipated uncertainty while continuing normal operations. It is demonstrated by the organization's ability to grow and develop the functions that enable it to operate indefinitely (Bowman, 2011b).

According to Elliott (2013), financially sustainable faith-based organizations are able to fulfil their missions over time while meeting their stakeholders' needs, particularly those who benefit from and those who support them. An organization's resources give it the ability to react to unexpected results and have the capacity to seize opportunities yet at the same time maintain general organizational operations (Bowman, 2011b). According to Hoque and Parker (2015), the financial sustainability goal for faith-based organizations is to expand or maintain services and at the same time be able to overcome occasional shocks arising from the economy; such as changes in donations and short-term loss of program funding.

Some of the challenges faced by faith-based organizations that lead to financial instability arise from their operating environment. These include declining donations, reduced funding from partners, and increased scrutiny of their charitable role from governments (Arhin *et al.*, 2018; Curry, 2011). This situation can make their survival and

growth vulnerable. Therefore, it creates the need for appropriate and robust leadership to navigate these challenges and meet their organizational goals (Sontag-Padilla *et al.*, 2012).

According to Mitlin *et al.* (2007), many analysts have discovered three measures that significantly influence the financial sustainability of a non-profit organization; namely income diversification, donor relationship management, and financial management systems. This discovery is in line with the analysis of quantitative financial measures done by Tevel *et al.* (2015) on models of measuring non-profit financial vulnerability by Tuckman and Chang (2009). This study affirmed that revenue diversification and management costs, and organization net assets have an effect on financial sustainability (Tevel *et al.*, 2015). This study adopted qualitative financial measures namely income diversification, donor relationship management and financial management systems as contrasted with quantitative financial measures of financial sustainability such as liquidity, debt management, asset management and financial performance ratios (McLaren & Struwig, 2019). This allowed more top-level faith-based organizational leaders to assess the financial sustainability of their organizations.

Globally, faith-based organizations have emerged as important actors in socio-economic development (Deacon & Tomalin, 2015). They are known to be agents of transformation in society since they are uniquely placed to mobilize faith communities towards the achievement of desired development results (Clarke & Ware, 2015). Much of the research and what has been written concerning the role of faith-based organizations is mainly in mainstream religious organizations, the majority of whose structure is beyond the host country (Clarke & Ware, 2015). Globally, the financial support for faith-based organizations has not become sufficiently stable to maintain required social services. For example, most churches are membership-supported, and during times of fluctuating

economies, membership donations have been seen to reflect such fluctuations (Mawudor, 2016).

In the United States, faith-based organizations include educational foundations, religious and altruistic entities different in their scope, impact, size, resources, and purpose (Raffo *et al.*, 2016). Their role is substantial in the provision of services that meet social needs (Mitchell, 2017). “Statistics from the Center on Non-profits and Philanthropy indicated that in 2012, the non-profit sector accounted for 5.4% of the US Gross Domestic Product (GDP) from the over \$850 billion contributions to the country’s economy” (McKeever & Pettijohn, 2014, p. 1). The faith-based organizations financial sustainability in the United States is therefore an important component for the communities’ economic growth. The Internal Revenue Service (2016) reported : “an estimated 1.2 million non-profit organizations recognized in the United States with reported amounts of \$3.8 trillion in assets and \$2 billion in revenue” (p. 1). Therefore, the faith-based organizations in the US support the local economy through their contribution to employment needs and provision of valuable social services (Internal Revenue Service, 2016).

In Canada, faith-based organizations are faced with a rise in government funding cuts and government surveillance. Because of the key role played by these organizations, there has been advocacy aimed at shaping public policy on operations of non-profit organizations (Mulee & DeSantis, 2017). Similarly, in the countries in the Middle East, faith-based organizations have mainly been influenced by threats emanating from the environment; such as insecurity which hinder their impact in society (Speer & Perkins, 2002).

Faith-based organizations operating in Pakistan, Indonesia, and Japan have continued expanding their activities to various areas; including medical services, education, aging societies, environment, gender issues, and interreligious dialogue (Nejima, 2016).

The management of non-profit organizations in Papua New Guinea have been affected by forces such as local accountability, local ownership, membership, and control. They however have a key place in meeting the needs of various communities (Speer & Perkins, 2002). There are many faith-based organizations in Malaysia that are established each year but they do not last long due to lack of adequate resources to continue with their daily operations. Many faith-based organizations face greater uncertainty, particularly in the financial field since government budgets are cut back and these organizations are asked to shoulder more responsibility (Said *et al.*, 2013).

In Russia, the not-for-profit sector has become a known player in service to the public (Ljubownikow & Crotty, 2014). Approximately 60% of Russian non-profit organizations are involved in providing social services in the areas such as social assistance, health and education. In social welfare, most of the faith-based organizations provide professional services thereby complementing what government bodies provide. In spite of the considerable growth of Russian faith-based organizations, the sector itself is still small as evidenced by the less than 1% of people who work in faith-based organizations (Skokova *et al.*, 2018).

Historically, faith-based organizations in Africa concentrated on traditional objects of charity; such as people living in poverty, the young, the disabled, and the sick (Werber *et al.*, 2015). Recognition and support by donors, society, and other stakeholders led to the increase in the number of faith-based organizations and the magnitude of services they offered to the community (Hall Jackson *et al.*, 2005). It is also the case that the history of development in Sub-Saharan Africa has; in many ways, been linked to the roles played by the church and organizations affiliated to churches in the areas of public performance and governance (Mawudor, 2016; Wodon, 2015). Because of the increased support by external donors, many faith-based organizations have depended on donors. As a result of this

dependence, faith-based organizations have continued to experience low financial sustainability; which is evident whenever funding partners stop financing their operations (McCarthy *et al.*, 2012).

Faith-based organizations operational in South Africa are weak financially. Their organizations' sustainability is often at risk. Many have stopped to operate, partly because of the economic levels in the context they operate. The legislative environment-governing faith-based organisations are restrictive. They may be constraining their capability for fundraising. The faith-based organisations depend mainly on a few large donors. This places them at high risk in case this stream of revenue stops. Dependence on donors is evident in the way some have been compelled to change their mandates in compliance to the interest of donors, whereas others devote a significant amount of their resources to raising funds. Accordingly, the management of relationships with donors and looking for additional or new donors occupy the minds of faith-based organizations leadership. This is remarkably different from faith-based organisations in the global north, where a significant number have adopted commercialization and social enterprise (Maboya & McKay, 2019).

In Kenya some of the issues that face the financial sustainability of Church related organizations include lack of written policies and procedures on financial management, lack of or inadequate audits and delayed financial reporting (Mawudor, 2021). Wanyoike and Orwa (2016) also noted that institutions and projects established by faith-based organizations in Kenya have been faced with sustainability because of the poor strategies adopted by leaders which makes institutions and their projects unable to cope with an operating environment which is competitive. Over-reliance on donor funding particularly foreign donations is also a significant problem for faith-based organizations and generally all non-governmental organizations in Kenya. Furthermore, support from the Kenyan government and its agencies has been very minimal. These point to a worrying trend that

if foreign aid was cut by about 80%, only about 20% of the current funding would be available for operations from alternative sources (Mucheru, 2020).

Faith-based organizations affiliated to Wycliffe Global Alliance in Africa have experienced various financial sustainability challenges. For example; in 2009, the organization affiliated to Wycliffe in Ghana, GILLBT faced a significantly reduced income as a result of a loss of confidence by overseas funders and partners (Franklin, 2016). As the organization was making an effort to come out of the challenge, it received word in April 2012 from their main funder of their intent to reduce their funding by 65% because of unexpected changes in their income streams. This led to financial challenges for the organization. Consequently, most of the programmes operated on a minimal scale and some stopped (Franklin, 2016). Since the largest funder mentioned above was funding most of the 18 organizations affiliated to Wycliffe Global Alliance in Africa, they were equally affected (Franklin, 2016).

Although faith-based organizations operate in the same context where there is low economic growth, high poverty levels and an hyper turbulent environment, some faith-based organizations have performed well and have been able to sustain their operations for many years (Mawudor, 2016). This implies the presence of other factors that influence financial sustainability of faith-based organizations. Strategic leadership has been known to play a crucial role in organizations based in a dynamic operating environment. Effective strategic leadership has been known to expand and enhance organizations' adaptive and absorptive capacity which could be an effective response to changes in the operating environment (Boal & Schultz, 2007). To this effect, strategic leaders' effective behaviour has been valued due to its direct impact on organizational performance (Asif & Basit, 2021). A study to establish the role of strategic leadership practices on financial

sustainability and the moderating role of environmental factors was therefore considered to be valuable in explaining the causal relationships.

### *Strategic Leadership Practices*

There are various definitions of strategic leadership in literature. According to Hughes and Beatty (2011), “individuals and teams enact strategic leadership when they think, act, and influence in ways that promote the sustainable competitive advantage of the organization” (p. 9). Montgomery (2008) views “strategic leadership as the leaders' ability to create and re-create reasons for the organizations' continued existence.” Lussier and Achua (2015) define strategic leadership as the ability to imagine, sustain a flexible state, think purposefully, and work in a team to create viable changes for the organization. Hitt *et al.* (2016) define strategic leadership as, “the ability to anticipate, envision, maintain flexibility, think strategically and work with others to initiate changes that will create a viable future for the organization” (p. 43).

Strategic leadership includes the leaders' responsibility to come up with a vision that describes the purpose for the whole organization (Carter & Greer, 2013). It focuses on sustained success for the whole organization. The role of strategic leadership is, therefore, to enable the organization to move forward in order to succeed in the long-term. This expectation is, however, dependent on whether an organization pursues and attains a lasting ability set that provides unique value to its constituents over the long-term in the segment an organization serves (Hughes & Beatty, 2011). After consideration of various perspectives of strategic leadership, the researcher adopted the perspective by Hitt *et al.* (2016) since it fits the nature of the study well.

Various authors have also described specific strategic leadership practices in an organizational setting. According to Alkheyi *et al.* (2020) “strategic leadership practice is the way by which the leaders create and re-create reasons for the continuous existence

within the organization” (p. 100). According to Hitt *et al.* (2016), strategic leadership in an organization is evidenced in six key practices namely: “identifying the organization’s strategic direction, exploiting and maintaining core competencies, developing human capital, emphasizing ethical practices, sustaining an effective organizational culture, and establishing balanced organizational controls” (p. 352). According to Hitt *et al.* (2016), these six practices make strategic leadership effective in contemporary times.

Hagen *et al.* (1998) conducted a study to explore the six strategic leadership practices identified by Hitt *et al.* (2016). They studied the perceptions of American Chief Executive Officers on ranking proposed critical strategic leadership practices. The objective of the study was to determine the most critical strategic leadership practices in an organization and their ranking by the studied chief executives.

The study generated opinions from the Chief Executive Officers who had put into practice all or some of the six critical strategic leadership practices suggested. The results showed that, “determining strategic direction, exploiting and maintaining core competencies, developing human capital, sustaining effective corporate culture, emphasizing ethical practices, and establishing strategic controls are the most critical components of strategic leadership in an organization” (Lear, 2012, p. 6). From the study, it was also noted that the exercise of strategic controls influenced the other five practices. Their study, therefore, ranked the six key strategic leadership practices in order of importance as follows:

- “i) determining the organisation's strategic direction;
- ii) developing human capital;
- iii) exploiting and maintaining core competencies;
- iv) sustaining effective corporate culture;
- v) emphasising ethical practices; and

vi) establishing strategic controls” (Lear, 2012, p. 148).

The determination of strategic direction refers to the development of an organization’s longer-term vision (Ireland & Hitt, 2005). Lear (2012) noted that, “determining strategic direction is focusing the organization on a long-term vision with a view to at least five years in the future” (p. 170). Determining the organization’s vision or purpose entails articulating a realistic and clear statement on the reason for the organizations’ existence and what is distinctive about it. When that happens, the vision or purpose statement then empowers the organizational members to formulate and implement strategies that are aligned to the organizations’ vision (Slawinski, 2007). In formulating such a vision statement, leaders need to work with stakeholders to determine what purpose it is pursuing (Ireland & Hitt, 2005). Additionally, strategic direction helps organizational leaders to be strategic and orderly in their daily leadership (Olaka *et al.*, 2017). The designing of strategic direction in an organization is evidenced by strategic intent, the vision, and mission, and determining strategic objectives (Ireland *et al.*, 2013).

Core competencies are the collective learning in the organization, learning on how to coordinate diverse service provision skills, integrate multiple streams of technologies in order to provide benefit to the beneficiaries (Prahalad & Hamel, 2003). According to Andersson and Ramos-Reid (2011), core competencies are strategically valuable abilities to the organization. A core competence should be unique and contribute to the provision of services that few or no other organization can be able to provide with the same qualities. Identifying core competencies can help leadership to evaluate crucial gaps in the organization, such as lack of integration of competencies or lack of routines for sustaining resources (Ljungquist, 2013). According to Ljungquist (2013), core competencies in the non-profit sector should; “be unique and contribute to the provision of services or activities that few other institutions are able to provide with the same qualities, contribute to end-

service benefits whether it be to internal (members) or external (beneficiaries, donors, grant-giving bodies) and contribute to the development of a variety of services or activities offered by the organization” (p. 23). The leader’s role is to identify the core competencies the organization needs for achieving its purpose and consequently work on the development, maintenance and exploitation of those core competencies (Ireland & Hitt, 2005). An organization will be able to explore additional resources with core competencies. Thus, a strategic leader needs to have access to and determine the resources that are required at any given period.

Human capital refers to competencies, skills and knowledge of an organization’s entire workforce that enables them to carry out work and produce economic value (Mubarik *et al.*, 2018). The development of human capital has an impact on the knowledge required by the organization through training programs that are effective. Developing human capital is also a proactive and a conscious approach used by strategic leaders who aspire to empower and utilize fully their potential to develop themselves (Slawinski, 2007). The development of human capital therefore provides organizational capacity building requirements. When the performance of employees increases, it leads to an organization’s effectiveness since they would be more satisfied and committed. Human Capital Development arises from a clear vision about people’s abilities. It operates within overall organisation’s strategic framework (Krishnan & Teo, 2011). The aim is to produce a coherent and comprehensive framework for developing people through the creation of a learning culture and formulation of organizational and individual learning strategies. The most significant parts of a person's capital are attained through work experience and educational attainment (Borjas, 2013). Experience and education therefore develop the intellectual capital required by an organization as well as ensuring that the right quality of people is available to meet present and future needs. Knowledge and skills of employees

should be constantly developed in order to be in line with changes and new technologies (Migwe, 2018).

Organizational culture “is defined as the complex set of ideologies, symbols and core values, that are shared throughout the firm and that influence how the firm conducts business” (Ireland *et al.*, 2013, p. 25). Effective organizational culture provides the context for the formulation and implementation of strategies. As such, culture has an influence on how an organization implements its mission as well as on the methods used to control and regulate behaviour, while providing a platform for better results (Ireland & Hitt, 2005).

Ethical practices on the other hand serve as a moral filter for the evaluation of potential courses of action in the organization. “Ethical leadership practices enables employees/ staff in an organization to act ethically while implementing the organizational strategies” (Kitonga, 2017, p. 39). Strategic leaders thus use trust, integrity and honesty as the foundation that inform their decision-making (Ireland & Hitt, 2005).

Organizational control, “is the process by which an organization influences its functions and members to behave in ways that lead to the achievement of organizational goals and objectives” (Ireland & Hitt, 2005, p. 72). Hitt *et al.* (2014) observe that controls in an organization are typically marked by initially establishing standards, then performance measurement, then a comparison of performance with standards, and as a final step, take the required corrective action. In this regard, Ireland and Hitt (2005) highlight the need to determine how much control, how to measure success, how to communicate expectations and, how to check progress towards attainment of the organizations purpose.

These controls comprise formal procedures dependent on information used to change patterns or maintain the activities of the organization. Controls are also helpful to strategic leaders in their duty to show how valuable strategies are to stakeholders and build credibility (Shields *et al.*, 2000). The effectiveness of strategic controls increases

significantly when leaders can make sense of different information sets leading to relevant insights that are competitive (Hitt *et al.*, 1996). Organizations require stability to prosper and grow. Therefore, balanced organizational controls are important components in providing the parameters to implement strategies and the corrective actions to address related adjustments that are required (Ireland *et al.*, 2013).

In seeking to establish the effect of strategic leadership practices on the financial sustainability of faith-based organizations affiliated to Wycliffe Global Alliance in Africa, this study adopted the ranking by Hagen *et al.* (1998). It focused on the top three key practices namely; determining the organization's strategic direction, developing human capital, exploiting and maintaining core competencies. Since establishing balanced organizational controls cuts across all the five strategic leadership practices and is a key component for financial sustainability (Lear, 2012), it was incorporated in this study as the fourth strategic leadership practice. The choice of the first three strategic leadership practices from six identified by Ireland and Hitt (2005) was informed by the ranking that identified critical strategic leadership practices and balanced organizational controls was included as the fourth since it cuts across the five strategic leadership practices (Lear, 2012).

The identified strategic leadership practices have a place in organizational leadership. According to Ireland and Hitt (1999), what will be different in 21<sup>st</sup> century organizations is the way in which top leaders discharge their strategic leadership responsibilities. These responsibilities should be executed through interactions based on the sharing of knowledge, insights, and responsibilities for achieved outcomes between the leaders, top managers and employees. These interactions take place as the organisation satisfies the requirements associated with the above key strategic leadership practices. It is

through configuration of the strategic leadership practices that strategic leadership can succeed in the 21<sup>st</sup> century organisation (Lear, 2012).

### *Environmental Factors*

The environmental factors refer to those elements existing outside the organizations boundaries such as economic, political, technological, social, legal, and ecological environment; that influence its performance (Richard *et al.*, 2009). An organization's environment “consists of interrelated sets of variables that play a principal role in determining the opportunities, threats, and constraints that organizations face” (Jane *et al.*, 2014, p. 407).

The “environmental conditions have changed dramatically because of the global economy. In the past few decades, environmental conditions were relatively stable and predictable compared with the current and predicted states of these conditions in the 21<sup>st</sup> century” (Ireland & Hitt, 2005, p. 65). In this regard, a leaders' effort to enhance an organization's financial sustainability needs a comprehension of the forces external to the organization that has the potential to inhibit or facilitate that performance. As such, a change in the variables that exist in the external environment leads to environmental uncertainty (Pearce & Robinson, 2011). Jane *et al.* (2014) find that superior performance in an organization is certain when an organization can respond to uncertainty in its environment.

Renoir and Guttentag (2018) identified key factors that limit the ability of non-profit organizations to operate effectively. The factors include “social stigma, poor economic conditions, restrictive government regulations, lack of local culture of philanthropy, taxation regimes, competition, and lack of access to skilled labour” (p. 9). These factors are similar to the key environmental factors identified by Sammut-Bonnici and Galea (2015) that affect faith-based organizations. They are economic, political and legal, social and

technological factors. This is in line with Banda (2020) who indicated that external environmental factors that have a bearing on organizational performance include political and economic which are macroeconomic and social and technological which are microeconomic in nature. These four factors were seen to be the key ones that potentially moderate the relationship between strategic leadership practices and financial sustainability in faith-based organizations (Banda, 2020; Renoir & Guttentag, 2018; Sammut-Bonnici & Galea, 2015). The internal environmental factors were not considered since the organizations have control over them and are managed through effective strategic direction which is one of the variables in the study (Halmaghi *et al.*, 2017).

Economic factors are elements of performance in an economy that impact an organization directly and have deep, long-term effects. Economic issues that affect organizations include recessions, unemployment, economic upswings, and other contextual factors affecting an organization's capacity to prosper and grow. Economic influences may also partially define the role of an organization in the political and legal environment, which helps to effectively assign power in society and implement the laws (Barkauskas *et al.*, 2015).

Similarly, the political and legal systems in which an organization functions can play a crucial part in shaping the organizations' stability in the long-term and securing an organization's future. These political and legal systems are necessary in creating a favourable environment for the organization and responsible for ensuring regulations about the operation and taxation needs of the broader community are addressed (Jones & George, 2014). The political-legal environment comprises factors such as regulatory policies, national development strategies, political stability, and government support. Bureaucratic and legal restrictions inform the level at which revenue can be collected by an organization (Barkauskas *et al.*, 2015).

Technological factors enhance the competitiveness of an organization. Technology helps in these achievements through timely provision of information, enhanced quality, other innovation measures and technology adapted, and the modernization of servicing system (Barkauskas *et al.*, 2015). Barkauskas *et al.* (2015) assert the importance of ensuring that institutional information is widely available to all stakeholders when using information systems and modern technology.

### *Financial Sustainability*

According to Bowman (2011b) and Muriithi (2014), there is a noteworthy difference in defining financial sustainability for a non-profit-making organization and a profit-making organization. This is dependent on the structure of the organization, the sources of an organization's revenue, and organizational goals. In the case of a faith-based organization which is not-for-profit in nature, its financial capacity is made up of the resources that allow the organization ability to make use of opportunities that arise and to be able to react to unexpected needs (Karanja & Karuti, 2014). The financial sustainability of a faith-based organization is demonstrated in "its ability to reallocate assets in the wake of opportunities and threats and be able to maintain sound financial balance over a long period" (Omeri, 2015, p. 740). The financial sustainability of faith-based organizations is also reflected in the organizations' capacity to raise funds locally or raise its revenue and reduce dependence on foreign support but still meet its defined goals (Lewis, 2011).

Ashoka and Mango (2015) observed that non-profit organizations should invest in risk management, building relationships, and desirable financial practices to attain sustainability. According to Pratt *et al.* (2012), a faith-based organization that is financially sustainable will also invest actively in the development and maintenance of strong stakeholder relationships; in particular their supporters, volunteers, donors, staff, and those who benefit from their services. In this regard, a study by Mawudor (2016), for example,

also concluded that, “financial management, resource management, income diversification, and income generation significantly predict the financial sustainability of faith-based organizations” (p. 13).

Tuckman and Chang (2009) were the first to discuss why financial sustainability of the non-profit organization’s interests’ researchers. Most of the studies have since then depended on the measures they identified. The model by Tuckman and Chang (2009) has four parameters, namely: “Net assets divided by total revenues, where insufficient assets cause concern over financial vulnerability; Revenue concentration index, rises when funding is provided by fewer revenue sources, which indicates increased financial vulnerability; Net income divided by total revenues, where low net income points to limited cash flow resulting in financial vulnerability; and administrative expenses divided by total revenues, where organizations with high administrative costs tend to be more financially vulnerable” (Tevel *et al.*, 2015). The analysis that was done by Tevel *et al.* (2015) on models for measuring non-profit financial vulnerability supports a reduced Tuckman and Chang (2009) model with three variables; management of costs, diversification of revenue and organizations net assets.

A study by Mawudor (2021) on the challenges facing financial management in sustainability of Church related organizations in Kenya found that; the management of funds has a positive effect on sustainability. The presence of a board committee that reviews financial performance and compliance with the NGO board requirements in Kenya has a significant part in providing the governance framework necessary for enhanced financial sustainability. Additionally, the presence of a functional financial system, the presence of guidance on organizational spending and the presence of an effective financial policy also plays a significant part in enhancing financial sustainability (Mawudor, 2021).

Faith-based organizations are, “statutorily created to serve a specific purpose and achieve specific policy goals, unrelated to profit” (Williams, 2014, p. 14). Measuring the financial sustainability of a faith-based organization, “then becomes a matter of measuring its ability to efficiently and effectively deliver on its mandate, successfully raise funds, and expertly control costs” (Williams, 2014, p. 14). Similar with this finding, a research by Milelu (2018) explored the factors affecting financial sustainability for Non-Governmental Organizations (NGOs) located in Nairobi, Kenya. The findings of the study were that there is a substantial positive correlation between income diversification, donor relationship management, financial management systems, and financial sustainability of non-profit organizations in Nairobi, Kenya (Milelu, 2018).

From the major elements that have a significant bearing on the financial sustainability of a non-profit organization, this study adopted the measures of financial sustainability of faith-based organizations identified by Mitlin *et al.* (2007) and Milelu (2018); namely income diversification, donor relationship management and financial management practices. The researcher chose the qualitative financial measures to allow more top leaders to evaluate the financial sustainability of the organization rather than depend on the responses of the finance leaders (Ebenezer *et al.*, 2020).

Income diversification has to do with an organization's need to create multiple income sources to finance its activities adequately, given its set objectives (Mitlin *et al.*, 2007). Income diversification is needed for the continuity of the organizations' structure and the provision of services to intended beneficiaries even after financial support from donors ceases (Renz, 2016). A faith-based organization is seen to be financially sustainable when the capacity of an organization to progress with its work is not to be harmed whenever one or more funding sources are not there (Pratt *et al.*, 2012). An organization must,

therefore, adopt a strategy of diversification so that sustainability is more likely because of greater stability in the revenue structure (Mutinda & Ngahu, 2016).

According to Saungweme (2014), income diversification is demonstrated in the organization's capability to increase the sources of income to incorporate more local and internal donor sources. In the same vein, Lewis (2011) sees income diversification in an organization as being able to secure different sources of funding; for example, the local government, national government, private, and the public sector, among others, so that they do not depend solely on donors from overseas. Lewis (2011) argues that, “income diversification of non-profit organizations is when at least 60% of the organization's funding comes from five different sources.” According to Omeri (2015) resource mobilization is achieved “through designing a comprehensive resource mobilization strategy, and building capacity to develop and market successful projects to attract new donors” (p. 705). To build a sustainable non-profit organization, therefore, both internal and external dimensions have to be considered since there is a key correlation between diversity in income and the financial sustainability of non-profit organizations (Omeri, 2015; Saungweme, 2014).

Donor relationship management entails undertaking deliberate efforts to constructively engage donors in the activities of the organization (Mitlin *et al.*, 2007). After establishing the first connection between a faith-based organization and the donor, maintaining a good relationship going forward is an important aspect. Faith-based organizations bear the responsibility of ensuring investors and donors receive appropriate information in a way that is transparent and clear (Omeri, 2015).

Saungweme (2014) has the view that faith-based organizations' understanding of donor priorities, adjusting their systems appropriately, adjusting their activities and processes to attract more donors is desirable for good donor relationship management.

Waiganjo *et al.* (2012) stated that organizations that can align their programs to match the priorities of donors are likely to get their financial support and consequently attain financial sustainability. Saungweme (2014) established key indicators that form a basis for good donor relationships management as; “the number of donor-organized programs that non-profit organization is invited, the number of programs and projects that are donor-funded, repeat funding by donors, and donors funding of long term projects of non-profit organizations” (Ebenezer *et al.*, 2020, p. 55).

Financial management systems entail having in place accounting systems that aid in the effective planning, controlling, and administering of organization funds (Mitlin *et al.*, 2007). The development of financial management involves having in place systems that provide financial information which makes it possible to attain sound financial and program decisions by managers (Omeri, 2015).

An organization should have the adequate internal capacity to do an assessment and management of risks linked to financial resources and funding. This should be done regularly in such a way that both managers and board members can understand and use them appropriately. The management should therefore establish the internal controls which assures that organizational goals may be achieved and that an undesirable event would be detected or prevented and appropriate correction effected so that the business of the organization is conducted in a manner that is orderly (Kumar & Sharma, 2015). Sustainable faith-based organizations also have adequate financial reserves. They are able in a strategic way to meet financial obligations for the organization, including overheads (Pratt *et al.*, 2012). The need for effective financial management by organizations and to put in place a financial plan which is sustainable in the long-term is necessitated by the fast changes among the donor community (Saungweme, 2014).

### *Faith-based Organizations*

A “faith-based organization is a religious organization affiliated or identified with one or more religious organizations with or without non-profit status that provides social services” (Goldsmith *et al.*, 2006, p. 2). Based on this definition, there are at least four different faith-based organizations: “religious congregations; organizations or projects sponsored by congregations; registered non-profit organizations that are affiliated to or independent from a congregation; and local and regional interfaith coalitions” (p. 3).

Racelis (2017) observes that faith-based organizations are ideally placed to respond most broadly to socio-economic challenges in society, as movements and networks that have the potential to directly influence family life and community. As such, faith-based organizations have the most extensive reach in the African continent, covering the largest population in various regions. These organizations have a unique wide reach and influence, particularly in more challenging to reach remote areas coupled with a noteworthy capacity to engage volunteers and mobilize other resources in society.

According to Mawudor (2016), faith-based organizations constitute 82% of the non-profit social service providers. The role of these organizations in the transformation of society has been commendable. They have been successful in reducing social decay and poverty. Despite their important role in providing social services and interventions, faith-based organizations have been prone to financial instability (Garcia-Rodriguez & Romero-Merino, 2020).

According to Renoir and Guttentag (2018), many faith-based organizations, “struggle to develop and maintain their own financial resources and local and external financial resources required to realize their missions” (p. 6). This situation is evidenced by a lower ability to build a financial resource base that is diverse. The diversity of financial resources is required so that institutional structure and delivery of services for the target

population continue in spite of the possible shake-up of an organization's income sources (Helm, 2016).

According to Hage and Posner (2015), faith-based organizations apply their religious practices and beliefs to encourage, inspire, model, enable and challenge critical dimensions of leadership. Their findings revealed that religious beliefs influence leadership practices and behaviours. Spalding and Franks (2012) also noted that religion determines ethics and morals amongst followers, which in turn influences their behaviour in organizations and with others. Given that leaders of faith-based organizations characteristically hold similar values to those of the organization they lead, this could explain why the leadership models, dominant in most faith-based organizations, are charismatic, transformational, and servant leadership (Grandy, 2013).

Faith as a consideration in meeting the needs of the community provides faith-based organizations and the beneficiaries with an understanding of the world and its role in it (Heuser & Koehrsen, 2020). When faith-based organizations are indigenous to the locality where services are offered, for example, hindrances to understanding the common purpose are potentially eliminated and give room for better goal achievement (Lyons *et al.*, 2016).

#### *Faith-based Organizations Affiliated to Wycliffe Global Alliance in Africa*

Wycliffe Global Alliance is a faith-based organization with the goal of “translating the Bible for every language group that needs it” (Wycliffe Global Alliance, 2018, p. 1). Wycliffe Global Alliance has its presence in Africa, Europe, America, Asia, and the Pacific (Wycliffe Global Alliance, 2018). The Wycliffe Global Alliance was initially founded as Wycliffe Bible Translators by William Cameron Townsend in 1942. The organization is “named after John Wycliffe, who was responsible for the first complete English translation of the whole Bible into Middle English” (Wycliffe Global Alliance, 2018, p. 1).

In its early years of inception, Wycliffe Global Alliance was one organization that had branches in different countries until 1991. The organization, currently headquartered in Singapore, is mostly associated with protestant Christianity. Wycliffe has since been restructured such that Wycliffe Global Alliance is now an association of organizations. The organization is now made up of over 100 affiliated organizations from over 60 countries worldwide. In Africa, the Wycliffe Global Alliance has 18 member organizations in 15 countries involved in Bible Translation and language development (Wycliffe Global Alliance, 2018). These organizations are ACATBA, ACOTBA SUBO, ACTB, ANTBA, ATALTRAB, BTL, CABTAL, ECCMY, ECFE, ECSTD, GILLBT, ITA, NBTT, Wycliffe Africa, Wycliffe Benin, Wycliffe Ethiopia, Wycliffe South Africa, and Wycliffe Togo (Wycliffe Global Alliance, 2020). These faith-based organizations operate in Central Africa Republic, DRC, Equatorial Guinea, Burkina Faso, Chad, Kenya, Cameroon, Ethiopia, Sudan, Ghana, Guinea Bissau, Nigeria, Benin, South Africa, and Togo with its regional office located in Kenya (Wycliffe Global Alliance, 2020).

The organizations affiliated to Wycliffe Global Alliance have three levels in their structure comprising the top-level (strategic), middle-level and operational level. The top-level leaders include the director, heads of departments and heads of units. Operational level is mainly comprised of project managers. It is made up of project and administrative staff at various levels (Wycliffe Global Alliance, 2020).

Organizations affiliated to Wycliffe Global Alliance in Africa share a similar history and heritage with the research-oriented faith-based organization known as SIL International. Since 2008, SIL International and WGA have different leadership structures, leaders, and governing boards. The two organizations, however, are still strategic partners characterized by the continued flow of resources and ideas among them (Franklin, 2016).

## Statement of the Problem

Faith-based organizations in Africa have been significant and active contributors to the welfare of society (Mitchell, 2017). As such, these organizations have a long history of providing social services and programmes to very needy communities that require services consistently and continuously (Mucheru, 2020; Van Wees & Jennings, 2021). However, many faith-based organizations in Africa have continued to struggle in developing and maintaining the financial resources required to undertake their mission (Renoir & Guttentag, 2018). This is evidenced by their inability to continue offering services to their target population whenever there is a shake-up in their usual sources of income (Omeri, 2015). Heist and Cnaan (2016) noted that giving to the international non-governmental organizations gradually declined between 2008 and 2015 by \$22.26 billion.

This consequently affected provision of services by non-governmental organizations of which faith-based organizations make up a significant proportion. Faith-based organizations make up 60% of USA-based international development organizations, which is significant in Sub-Saharan Africa (Green, 2020). This is also in line with Van Wees and Jennings (2021) finding that the faith-based sector provides approximately 50% of health and education services in Sub-Saharan Africa. For most faith-based organizations, the financial instability challenges they face arise from their operating environment. These include declining donations, reduced funding from their partners, low economic levels, increased needs of their target groups, and increased scrutiny of their charitable role from governments (Arhin *et al.*, 2018). Owing to changes in their income streams, some faith-based organizations have suspended, stopped, or continued their operations at a minimal scale. Since faith-based organizations in Africa have relied mostly on external funding for the continuity of their missions, funding cuts have often resulted in reduced or no services to the intended beneficiaries (Mawudor, 2016).

Mawudor (2016) found out that only 18% of church-related organizations in Africa are relatively financially sustainable while 82% are moving towards a crisis or survival mode, indicating that financial sustainability for many faith-based organizations is a matter of concern. Tata and Prasad (2015) observe that leaders of faith-based organizations struggle to meet the needs of stakeholders while maintaining fiscal and human resources. A 2008 Gallup Poll showed that 82% of people in Sub-Saharan Africa said that they trusted religious organizations more than other societal institutions. Yet, many of these faith-based organizations are facing financial sustainability challenges (Green, 2020).

According to Hitt *et al.* (2014), the domain of strategic leadership has a focus on how top-level leaders influence the performance of an organization through their leadership. Unfortunately, studies on strategic leadership have mainly been done in profit-making organizations and those focusing on faith-based organizations have mainly been done in the West. Even though faith-based organizations have existed for a long time in Africa, very few researchers have studied the direct relationship between strategic leadership and financial sustainability in these organizations (Grandy, 2013).

Since faith-based organizations operate in an environment which is volatile, uncertain, complex, and ambiguous; financial sustainability is influenced by this unstable operating environment (Wanyoike & Orwa, 2016). Faith-based organizations are particularly affected by this hyper turbulent environment if there are no plans to counter environmental influences (Stewart *et al.*, 2016). It is for this reason Busienei (2017) observed that, “Financial sustainability will be a challenge for non-profit organizations in the next decade” (p. 5).

According to Carter *et al.* (2014), leaders of faith-based organizations responsible for financial management have limited strategies to make sure that the faith-based organizations they lead remain fiscally sustainable. The limited strategies may be

influenced by the dominant leadership models in most faith-based organizations namely; supportive, democratic, and transformational leadership. It therefore calls for further research to establish if strategic leadership can add value to efforts towards financial sustainability by faith-based organizations (Mwenje, 2016).

According to Mucheru (2020), faith-based organizations in Kenya are generally unrecognized and unstudied. Most studies carried out in the past focused on non-governmental organizations without coming down to unique issues of faith-based organizations. It is notable that there is a literature and research gap in studies focusing on faith-based organizations especially those that touch on financial sustainability despite the documented challenges in funding for these organizations. Little focus on faith-based organizations has only escalated the underlying problem of financial sustainability, in the wake of reduced donor funding since it points to low competitive ability for the available funding.

Faith-based organizations affiliated to Wycliffe Global Alliance mainly rely on donations with a significant amount coming from churches. BTL for instance relies on funding from partner organizations such as Wycliffe UK, Wycliffe US and other international faith-based organizations. These partners on the other hand significantly depend on contribution from churches and church affiliates and corporates. All these factors point to the problem of lack of financial sustainability among faith-based organizations amid over-reliance on foreign funding, decreased funding, low capacity to self-generate income, low government support and increased needs (Mucheru, 2020).

#### Study Objectives

##### *General Objective*

The general objective of this study was to establish the effect of strategic leadership practices on financial sustainability and the moderating effect of environmental factors on

the relationship between strategic leadership practices and financial sustainability of faith-based organizations affiliated to Wycliffe Global Alliance in Africa.

### *Specific Objectives*

The specific objectives of this study were to:

1. Establish the effect of determining strategic direction on the financial sustainability of faith-based organizations affiliated to Wycliffe Global Alliance in Africa.
2. Determine the effect of exploiting and maintaining core competencies on the financial sustainability of faith-based organizations affiliated to Wycliffe Global Alliance in Africa.
3. Examine the effect of developing human capital on the financial sustainability of faith-based organizations affiliated to Wycliffe Global Alliance in Africa.
4. Determine the effect of establishing balanced organizational controls on the financial sustainability of faith-based organizations affiliated to Wycliffe Global Alliance in Africa.
5. Establish the moderating effect of environmental factors on the relationship between strategic leadership and the financial sustainability of faith-based organizations affiliated to Wycliffe Global Alliance in Africa.

### Hypotheses for the Study

This study tested the following hypotheses:

Ho<sub>1</sub>: Strategic direction has no significant effect on the financial sustainability of faith-based organizations affiliated to Wycliffe Global Alliance in Africa.

Ho<sub>2</sub>: Core competencies have no significant effect on the financial sustainability of faith-based organizations affiliated to Wycliffe Global Alliance in Africa.

Ho<sub>3</sub>: Human capital has no significant effect on the financial sustainability of faith-based organizations affiliated to Wycliffe Global Alliance in Africa.

Ho4: Balanced organizational controls have no significant effect on the financial sustainability of faith-based organizations affiliated to the Wycliffe Global Alliance in Africa.

Ho5: Environmental factors have no significant moderating effect on the relationship between strategic leadership practices and financial sustainability of faith-based organizations affiliated to Wycliffe Global Alliance in Africa.

#### Assumptions of the study

Assumptions are, “the essential foundation that a researcher acknowledges as true but are factually unproven beliefs” (Leedy & Ormrod, 2019, p. 25). This study first assumed that strategic leadership was exercised by faith-based organizations affiliated to Wycliffe Global Alliance in Africa and the respondents were therefore able to respond to the research questions. The second assumption of this study was that the participants had a good level of knowledge and understanding about the operations within their organizations and were therefore able to make the right judgement of the actual status and respond appropriately to the questions. Thirdly, this study assumed that at the end, the research would create new knowledge in the area of strategic leadership practices, environmental factors and financial sustainability and consequently, contribute to the existing body of knowledge, theory and leadership practices. Fourthly, the study assumed that leaders of faith-based organizations are concerned about financial sustainability of the organizations they are leading and would like to take steps towards assuring that their organizations are financially sustainable. The fifth assumption was that the selected respondents would give honest feedback during data collection since honest feedback enhances the integrity of the findings (Creswell, 2014).

## Justification of the Study

This research was anchored on the important role that faith-based organizations play in society. Since their inception, faith-based organizations have been a significant and legitimate player in development work in the world (Wanyoike & Orwa, 2016). The problem under study is prevalent in Africa, and the choice of organizations affiliated to the Wycliffe Global Alliance in Africa offered the opportunity to obtain data about faith-based organizations from 15 countries.

This study enriches theory, models the financial sustainability goal of faith-based organizations. It also generates more awareness among faith-based organizations on the importance of strategic leadership. Such a framework serves as a means of organizational sustainability and effectiveness. It also provides helpful knowledge concerning strategic leadership practices that contribute to faith-based organizations' financial sustainability. Using the resulting information, key leaders could institutionalize strategic leadership practices as part of their effort towards financial sustainability.

The results from this study also contribute to desired change by making relevant information available to faith-based organization leaders that could help improve their performance in a hyper turbulent environment. Faith-based organizations' performance is in the interest of society since resources that are substantial go through these organizations to meet societal needs. If faith-based organization leaders can ensure that an appropriate leadership model is practiced, then their organizations' ability to achieve financial sustainability will be enhanced.

The practice of strategic leadership within an organization is extremely important. A proper understanding of the strategic leadership practices and their influence on financial sustainability is key. The study provides insight on how to improve financial sustainability

of faith-based organizations through strategic leadership. The study is of benefit to various bodies who are stakeholders and beneficiaries of faith-based organizations.

Furthermore, although many studies have been conducted on Strategic Leadership, the concept of strategic leadership is still complex. Specifically, “there is little research considering the place of strategic leadership in enhancing financial sustainability of faith-based organizations.” This research evaluated the relationship between strategic leadership practices and financial sustainability. It established the relationships between strategic leadership practices and financial sustainability of faith-based organizations affiliated to Wycliffe Global Alliance in Africa.

#### Significance of the Study

Some researchers have observed that not many faith-based organizations see the value of different leadership styles. Studies have, however, also established that strategic leaders are now considered as a strategic force to navigate the current hyper turbulent environment and assure effective performance (Bajcar *et al.*, 2015). The results of this research should be beneficial to the following groups:

#### *The Leadership of Faith-based Organizations*

The study provides new and critical information to inform faith-based organizations’ leadership on whether to employ strategic leadership practices in order to develop and maintain financial sustainability. The study findings also inform the adoption of strategic leadership best practices while forming a basis for evaluating a faith-based organization’s leader’s competency.

There is also an increasing interest in the development of leaders among faith-based organizations to improve organizational effectiveness. Understanding the correlation between strategic leadership and financial sustainability in faith-based organizations, as revealed in this study, provides informed leadership development training (Grandy, 2013).

### *The Policy Makers*

Since faith-based organizations are making significant contributions to society's needs, it would interest policy makers to know how they can be supported to meet their goals (Mawudor, 2016). The study findings inform and facilitate the review of existing policies in order to enhance them. In particular, the study is expected to provide input to the kind of operating environment favourable for faith-based organizations, which helps in the formation of laws and regulations affecting the operations of such institutions in African countries.

### *The Academic Fraternity*

The result of the study bridges the knowledge gap in the relationship between strategic leadership and financial sustainability while also establishing the moderating role of environmental factors in this relationship among faith-based organizations. The findings form vital literature for faith-based organizations, while the suggested areas for further research guide future research in enriching existing literature and the body of knowledge.

### Scope and Delimitations of the Study

This study was carried out to establish the effect of strategic leadership practices on the financial sustainability of faith-based organizations affiliated to Wycliffe Global Alliance in Africa. This study specifically evaluated the effect of strategic direction, exploiting and maintaining core competencies, developing human capital, and establishing balanced organizational controls on organizational financial sustainability. The study also examined the moderating effect of environmental factors on the relationship between strategic leadership practices and financial sustainability of faith-based organizations affiliated to Wycliffe Global Alliance in Africa.

The study was done in 18 faith-based organizations affiliated to Wycliffe Global Alliance in Africa. Data was collected from 198 respondents serving as directors, heads of

departments, and heads of units in organizations affiliated to Wycliffe Global Alliance in Africa. The collection of information for this study was done between September and December 2021. The researcher acknowledged that the perspectives and views on the concepts of strategic leadership and financial sustainability may not have represented the views of all the leaders of faith-based organizations in Africa. The researcher adopted the census approach in order to attain wider coverage.

Regarding strategic leadership practices, this study focused on four strategic leadership practices identified by Hitt *et al.* (2016), namely; strategic direction, core competencies, human capital and organizational controls. A total of six strategic leadership practices were identified by Hitt *et al.* (2016) but the researcher chose those that were highly ranked. There are various researchers who researched on these practices but they were done in a profit-making context. The other two strategic leadership practices that were not covered in this study are organizational culture and ethical practices (Ireland and Hitt (2005). They were left out of the study because including them could have made the study scope extensive to manage and yield reasonable and credible results.

Concerning the moderator variable of environmental factors, this study was limited to political-legal, economic, social and technological factors (Sammut-Bonnici & Galea, 2015). These factors were seen to be the key ones that potentially moderate the relationship between strategic leadership practices and financial sustainability (Pearce & Robinson, 2011). The internal environmental factors were not considered since the organizations have control over them and are managed through effective strategic direction which is one of the variables in the study (Halmaghi *et al.*, 2017).

#### Limitations of the Study

While the study acknowledged that Ireland and Hitt (2005) identified six strategic leadership practices, namely; “identifying the organization’s strategic direction, exploiting

and maintaining core competencies, developing human capital, emphasizing ethical practices, sustaining an effective organizational culture, and establishing balanced organizational controls” (p. 352), the study focused on four strategic leadership practices. The choice of the four strategic leadership practices was limited by the time for undertaking the study and financial resource availability which could have prevented the researcher from drawing concrete conclusions, since they were drawn based on limited responses.

This study was also limited by its scope since it only focused on faith-based organizations affiliated to Wycliffe Global Alliance in Africa. Therefore, the results of the study should be used with caution, without undue generalization to other continents and other forms of institutions. The contextual factors in the other regions and organizational factors in other organizations are not the same as the contextual factors in 15 selected countries and organizational factors in faith-based organizations. They will therefore differently influence the study variables; hence the outcome of the study is limited in this sense.

This study was cross-sectional in nature among the top-level leaders of faith-based organizations affiliated to Wycliffe Global Alliance in Africa. It did not cover the longitudinal aspect to get to know how the variables of the study changed over time, hence the findings were interpreted only within the time of the study.

### Chapter Summary

This chapter outlines the introduction and background to the study. It provides the problem statement. Also discussed in the chapter are the research objectives, research hypothesis, assumptions, significance, scope, limitations and the delimitations of the study. This information formed the foundation for the development of the research area and the remaining chapters. The next chapter focuses on the relevant literature that lays the foundation for developing the conceptual framework for the study.

## CHAPTER TWO

### LITERATURE REVIEW

#### Introduction

This chapter presents and discusses the literature that is relevant to the study. The chapter covers the theoretical review, empirical review, the conceptual framework, a critique of the existing literature, a review of identified gaps in research, and a summary of research knowledge gaps.

#### Theoretical Review

According to Kombo and Tromp (2019), a theory gives examples and indications of what is included in the research framework. Theories guide research work by helping with interpretation of findings. Theoretical frameworks are descriptions of the phenomenon which give the researcher the lens to see the world. Different scholars have put forward several theories to describe the nature of relationship between strategic leadership and organizational performance. The main theory that anchored this study was strategic leadership theory and it was complemented by the resource-based view, and adaptive leadership theories.

#### *Strategic Leadership Theory*

Strategic leadership theory was initially developed and expanded from the upper echelons theory by Hambrick and Mason (1984) with the goal of examining how top-level leaders influence how strategic decisions are made in organizations (Finkelstein *et al.*, 2009). The upper echelon theory emphasized the power and influence that top-level leaders in organizations have in determining their success based on their knowledge and skills (Hambrick, 2007). There has, however, been criticism of the upper echelons theory with the claim that it does not directly study the actual strategic leadership behaviour and using demographic indicators as a proxy for strategic leadership behaviour (Duursema, 2013).

Strategic leadership is characterized by the capability of leaders to create and maintain the capacity to learn and make appropriate changes together with capacity for discernment and ability to make correct decisions at critical times (Carter & Greer, 2013). Leaders must therefore consider changes in the operating environment in their decision-making to avoid failures (Kabetu & Iravo, 2018). Strategic leadership occurs in an environment which is increasingly hyper-turbulent characterized by complexity, information overload, and ambiguity (Boal & Hooijberg, 2000; Ireland & Hitt, 2005). The choice of strategic leadership theory for this study is therefore based on that fact that its focus is on how top-level leaders influence strategic leadership practices and how in turn it affects financial sustainability in the context of faith-based organizations.

There has been a comparison and analysis of different styles of leadership, most of which have focused on transformational, transactional and charismatic leadership. It has been observed that no much research has been undertaken in the context of strategic leadership. Much of the research has focused on how leadership styles have influenced team level performance and not the overall performance of the organization (Carter & Greer, 2013).

Ireland *et al.* (2013) saw transformational leadership as a strategic leadership style which involves continuously enriching followers' capabilities, motivation of followers to surpass expectations and prioritize the interests of the organization above their own (Carter & Greer, 2013). A study by Campbell (2020) revealed that the components of transformational leadership style were not significant to financial sustainability. This finding was similar to other related studies that established that only the specific transformational leadership dimensions had a positive effect on financial performance and that transformational leadership in itself was not significant with financial sustainability.

A study by Amisano and Anthony (2017) established that ethical leadership was not significant with financial sustainability in small businesses. However, they recommended transformational leadership attributes to the owners of small businesses which enables them to influence financial performance. Brandt *et al.* (2016) also established that transformational leadership did not affect an organization's financial performance. Similarly, Maina and Gichinga (2018) and Strukan *et al.* (2017) found out that only the dimensions of idealized influence and individualized consideration had the most significant effect on financial performance (Jensen *et al.*, 2020).

The development of a spiritual leadership theory as a theoretical construct has also been seen to be applicable and relevant for the creation and maintenance of a workplace that is sustainable. Spiritual leadership is an emergent research field, with several studies that show the importance of spirituality in the organization in enhancing a sustainable workplace (Samul, 2019). However, this theory has not established a relationship between organizational financial sustainability and strategic leadership practices.

Boal and Hooijberg (2001) observed that whereas leadership theories like leader-member exchange, path-goal and contingency theory give a focus on the person and task-oriented behaviors of leaders, strategic leadership focuses on the creation of organizational purpose and meaning. These efforts have helped to enhance the understanding of how the influence of leadership styles is shown in the group, team and individual performance outcomes. However, not much research has been done in consideration of strategic leadership theory in the context of faith-based organizations focusing on how leaders influence financial sustainability in their organizations (Phipps & Burbach, 2010).

Strategic leadership theory assumes that the financial sustainability of an organization is a reflection of the efforts of its leaders (Finkelstein *et al.*, 2009). For example, the strategic leadership choices and practices top leaders reach will ultimately

have an effect on the financial sustainability of the organization (Oppong, 2014). In addition, earlier research indicate that leaders influence effectiveness and organizational performance, and there exists a strong relationship between leaders' characteristics and the performance of the organization (Carpenter *et al.*, 2004; Hambrick & Mason, 1984; Oppong, 2014). Therefore, the level at which strategic leadership practices are exercised will affect the financial sustainability of the organization (Boal & Hooijberg, 2000). Another justification for the choice of strategic leadership theory to underpin this research is that it describes the process by which organization leaders give guidance to the structures and processes that define survival, long-term goals and the performance of the organization.

Additionally, strategic leadership theory focuses on the top-level leader's overall impact the performance of the organization by use of strategy formulation, implementation and their influence within the organization's operation context. According to Yukl and Mahsud (2010) strategic leadership theory also explains how leaders influence organizational structure, strategy, culture, models of management, and team effectiveness.

Strategic leadership theory also considers the important environmental aspects in which leaders operate and how environmental factors influence and affect their decisions and actions (Yukl & Mahsud, 2010). It also puts into consideration how groups of leaders within an organization interact, share power, and influence one another for effective performance (Makri & Scandura, 2010). However, Boal and Hooijberg (2000) highlighted that no much attention has been given by researchers to the influence of environmental factors that sets the settings, timing, and actions of the strategic leaders. Strategic leaders therefore act and perform differently based on the environmental context to create organizations that are effective. Furthermore, Boal and Hooijberg (2000) emphasized that strategic leadership is change oriented and gives the leader the desire to lead and perform effectively in an environment which is turbulent. A strategic leader should therefore have

the capacity to change based on lessons learnt in the midst of new challenges raised by the environment. The top leaders ultimate focus as they make strategic decisions is to comprehend how they can create an overall direction and purpose for the organization, which ultimately guides financial sustainability efforts (Makri & Scandura, 2010).

According to strategic leadership theory, strategic leaders should have the capacity to take into consideration different roles and activities. Furthermore, strategic leaders should be capable of performing these roles and tasks using personal characteristics, strategies that influence lower level teams and complementary leadership styles (Oppong, 2014). Furthermore, strategic leaders are expected to facilitate key strategic leadership practices such as developing strategic direction, exploiting and maintaining core competencies, developing human capital, sustaining an effective organizational culture, the infusion of ethical value systems and establishing balanced organizational controls (Boal & Hooijberg, 2000). In summary, the main role of a strategic leader is to strengthen the organization's capacity to gain knowledge from its past, adjust to the current situation, and create its future in consideration of organizational abilities and the environment (Boal & Schultz, 2007).

This theory has been criticized based on the view that it does not directly study actual strategic leadership behaviour. It is argued that research findings that link strategic leadership behaviour to organizational performance considered characteristics that are demographic for strategic leadership behaviours, yet they are limited by the intrinsic trade-offs that downplay construct validity for the reliability of measurement. As of now, there is no alternative strategic leadership measure that is theoretically derived (Duursema, 2013). The strategic leadership practices and the moderating effect of environmental factors variables proposed in the current study were anchored on this theory of strategic leadership.

### *Resource-Based View Theory*

The original ideas that gave rise to the Resource-Based View (RBV) theory of the firm were proposed by Penrose (1959). These original thoughts were later adopted by other scholars who have given much more focus on the postulates of the Resource Based View perspective. Wernerfelt (1984) coined the Resource-Based View theory of the firm. This theory provides fundamental and critical insights as to why organizations with well-organized and valuable resources are likely to attain higher performance. According to this theory, an organization's performance is significantly influenced by available physical, human, and organizational resources. Daft (2010) notes that the approach is based on the assumption that organizations should be successful in acquiring and managing resources that are valued in order to be effective. Since there is a correlation between an organization's capabilities and resources, this theory, therefore, justifies the need for financial resources in an organization (Madhani, 2010).

Barney *et al.* (2001) asserted the resource-based view theory as a key component of strategic leadership, sustainability, competitiveness, and performance that helps top-level leaders to make the best use of internal resources. Five resource-based view dimensions include intangible assets, tangible assets, human resource capability, executive capability, and management capability (Barney *et al.*, 2001).

The resource-based view theory shows how organizational strategic leaders control the utilization of available resources to achieve and conserve competitiveness and sustainability. Organizational leaders can make the best use of resources and put in place exceptional organizational strategies by use of resource-based view theory. The resource-based view constructs include the following tenets: First, an organization's competitiveness is dependent internal resource distinctive characteristics that are not easy to duplicate (Barney *et al.*, 2001). Second, is the direct relationship that exist between organizational

performance and competitiveness. Third, is that an organization attains competitive advantage as the benefit because of superior services or products in comparison to those of rivals (Barney *et al.*, 2001). Barney *et al.* (2001) contended that a synchronized use of organizational resources assures sustainable competitiveness and incremental value creation. Organizational leaders may use the resource-based view theory to find out their use of strategic leadership skills to strengthen organizational financial sustainability (Hoermann *et al.*, 2015).

The resource-based view theory offers a rationale for the need for financial sustainability in an organization. This theory postulates that an organization's resources are critical for organizations to fulfil their goals and attain superior performance (Barney *et al.*, 2001). Organizational resources such as finances, raw materials, computers, and real estate, or intangible resources such as reputation, staff morale, and patents possessed and managed by organizations could give an organization a competitive edge and lead to high performance.

In addition, the resource-based view theory examines how an organization can attain higher performance through the use of resources to attain a competitive edge above others in the industry (Baumol *et al.*, 2009). As such, organizations with adequate resources are in a better place for superior performance in goal achievement than the ones that are limited in such allocation (Ainuddin *et al.*, 2007). In the same way, organizations that can allocate resources to human resource development enhance the competencies and skills of their staff. This influences how decision-making is done and how those decisions are executed, which in turn has an impact on organizations' performance (Ismail *et al.*, 2012).

Strategic leadership skills can allow organizational leaders to improve sustainability, profitability, and a competitive edge that arises from strategic, organization specific and different resources that are not easily replicable (Meyer *et al.*, 2017).

Resources that are exclusive enable organizations to attain financial sustainability because of the impact those resources have on competitiveness, sustainability and service provision. The resource-based view theory shaped the study and integrated the role of strategic leadership practices in the financial sustainability of faith-based organizations.

The resource-based view theory is used to analyze the financial performance of organizations in comparison to others offering the same services (Patidar *et al.*, 2016). According to the resource-based view theory, organizations can achieve better financial sustainability by putting into use high class resources and applying capabilities such as strategic leadership. Leaders who possess the power within the organization at any given time make strategic decisions. The focus of leaders regarding what information needs more attention and how they interpret the information is what drives organizational performance and financial sustainability (Gupta, Chen, & Gupta, 2016).

The way resources are allocated influences how an organization can make use of opportunities that emerge (Morgan *et al.*, 2004). Here, intangible resources, for example, the repute of the services offered by an organization, experience, and the brand name, also have a significant implication for organizations' operations.

Moreover, the resource-based view theory focuses on competitive superiority, which posits that, "any resource that supports the fulfilment of the target group's needs is better than those of the competitor and should be strategically allocated to attain performance synergy" (Mahoney & Pandian, 1992). Resource scarcity requires that when resources are scarce, they ought to be allocated well so that they can be sustained over time for continuous organizational performance.

In this regard, the execution of strategies should be informed by the combination that efficiently uses organizational resources and accumulates them in a way to improve the organization's overall performance. As it were, when resources are strategically

allocated to critical performance areas, organizational performance and financial sustainability increase (Kimani & Kilika, 2019).

A faith-based organization has unique assets, which are well organized, and can be used to produce, create and deliver its services effectively. Although faith-based organizations do not have a profit-making motive, they are economic institutions. This is because they utilize resources that are scarce in society, such as land, capital, and labour, to obtain valuable goods and services. They incur costs for their operations, impose costs on society, and use voluntary services and contributions to offer valued services to society. They, therefore, need a dependable revenue flow to resource their mission (Mutinda & Ngahu, 2016). The financial sustainability variable in this research was anchored on the tenets of resource-based view theory.

#### *Adaptive Leadership Theory*

The adaptive leadership theory was developed by Heifetz (1994) based on a seminal book titled “leadership without easy answers”. The theory was further developed by Heifetz with his colleagues in their effort to reiterate the place of leadership in times of change. Some of the sectors that have used the theory, include human services, health, business, religion and education (Heifetz *et al.*, 2009b).

Heifetz (1994) advocated for a new type of leadership that encouraged people’s adaptive capabilities compared to the hierarchical authority of addressing problems. The focus is on the role of the leader to rally followers to “tackle tough challenges and thrive” (Heifetz *et al.*, 2009b, p. 14). The main difference of this theory in comparison to contemporary alternatives, is the focus on the behavior of adaptive leaders compared with specific leadership characteristics or traits (Northouse, 2016). The behaviors of adaptive leaders should inspire followers to address challenges they face through motivation, mobilization, and focusing attention on the organization (Heifetz, 1994).

Adaptive leaders are careful to recognize the potential changes in the external environment before they make changes in the organization and therefore chooses the best course that will affect the organization positively. According to Yukl and Mahsud (2010) “flexible and adaptive leadership involves changing behavior in appropriate ways as the situation changes” (p. 1).

Adaptive leadership enables leaders to mobilize “people to tackle tough challenges and thrive” (Heifetz *et al.*, 2009a, p. 19). Adaptive leaders are able to comprehend the nature of problems, define them well, and find the suitable solution. Those who have criticized adaptive leadership indicate that although this theory works well for organizations managing change, many organizations resist the adaptive leadership approach (Yukl & Mahsud, 2010). The reason behind this is the fact that adaptive leadership challenges values, beliefs, and norms, which leads individuals to resist the changes and ideas that emerge from an adaptive leadership approach (Yukl, 2010). However, adaptive leadership puts into consideration all factors that affect an organization, by planning for a changing world properly, which makes an adaptive leadership approach valid and useful in a changing context (Khan, 2017).

The adaptive leadership theory distinguishes between adaptive and technical challenges. Technical challenges are generally handled through traditional forms of leadership, where problem identification and its solution is facilitated through the hierarchical systems that exist, such as managerial appointments, procedures and policies (Heifetz, 1994; Heifetz *et al.*, 2009b). When faced with these challenges, affected persons rely on individuals who possess the authority to solve the problem compared to going through a process where they learn, innovate and change (Uhl-Bien *et al.*, 2007). Adaptive challenges are not easily identified or resolved using the traditional organizational systems or leadership structure but by encouraging followers to face and offer a solution to problems

through collaborative efforts (Heifetz, 1994). Thus, the environment encourages a process where leaders are challenged to explore, innovate and adapt accordingly (Miller, 2015).

Beyond the contribution of Heifetz and his colleagues, Uhl-Bien *et al.* (2007) placed the adaptive leadership theory as a subcategory of complexity leadership theory. The complexity leadership theory framework sees leadership in the context of the twenty-first century organization, where “knowledge is a core commodity and the rapid production of knowledge and innovation is critical to organizational survival” (Uhl-Bien *et al.*, 2007, p. 299). Traditional forms of leadership that are hierarchical in nature give attention to technical challenges through policies, procedures and managerial functions; however, the current knowledge era challenges demands a leadership model that encourage innovation, learning and flexibility (Heifetz & Linsky, 2002; Uhl-Bien *et al.*, 2007). Within the complexity leadership theory, adaptive leadership shows a collaborative process of change that has a focus on individual efforts in the organization compared to reliance on an individual to accomplish a managerial role (Uhl-Bien *et al.*, 2007).

The adaptive leadership theory was suitable for this study, because of the influence of the fast-changing and complex environments in today’s organizations which necessitates effective leadership for such times (Boal & Schultz, 2007). This theory is about the achievement of fit between the current organizational status and its desired position by taking into consideration the factors that influence the process (Ngugi, 2013). Leaders who are seeking to enhance the financial sustainability of their organizations should therefore pay attention to the influence of environmental factors. In this study, the moderating role of the environmental factors on the relationship between strategic leadership and the financial sustainability of an organization was anchored on the adaptive leadership theory.

### *Theoretical Framework Summary*

Based on theoretical review strategic leadership theory postulates that in an increasingly hyper-turbulent environment, strategic leadership creates and maintains the ability to learn, to change coupled with discernment and capacity for right decision-making at critical moments. The resource-based theory indicates the resources that an organization owns are critical for it to fulfil its goals and attain superior performance. It justifies the need for financial sustainability in an organization. The adaptive leadership theory proposed that leaders carefully recognize potential changes in the external environment and consider the best path that will positively affect the organization. This justifies the need for an organization to pay attention to its operating environment by monitoring and responding accordingly.

Below is a summary of the theories this study is anchored on.

*Table 2.1: Theoretical Framework Summary*

Theory	Author	Variable Supported	What the Theory Advances
Strategic Leadership theory	Finkelstein <i>et al.</i> (2009)	Strategic leadership practices	The theory postulates that in an increasingly hyper-turbulent environment, strategic leadership creates and maintains the ability to learn, to change coupled with discernment and capacity for right decision-making at critical moments
Resource-based view theory	Wernerfelt (1984)	Financial sustainability	The resources that an organization owns are critical for it to fulfil its goals and attain superior performance.
Adaptive leadership theory	Heifetz (1994)	Environmental factors	Adaptive leaders are careful to recognize possible external environmental changes and then choose the best course which will affect the organization positively.

Source: Author (2022)

### Empirical Review

The researcher reviewed and analysed literature relevant to this study in order to identify any issues and gaps linked to the research objectives and the variables to be studied.

### *Strategic Leadership Practices and Financial Sustainability*

Informed by the turbulent environment in which organizations operate, several leadership scholars have been drawn to the relationship between strategic leadership and organizational performance. Financial sustainability as a component of organizational performance is important for faith-based organizations since it allows them to continue fulfilling their mandate (Carter & Greer, 2013). In line with the purpose of this study, the researcher reviewed empirical literature on strategic leadership practices and financial sustainability.

A study by Jonyo (2018) focused on, “the effects of strategic leadership on organizational performance within private universities in Kenya” (p. 9). The researcher used correlational study that adopted the positivist philosophy. The population for this study was made up of 17 accredited private universities in Kenya. The unit of analysis used was the vice-chancellors, board of directors, departmental heads, and academic deans totalling 136 respondents. A census technique was used involving all target population elements. The collection of data from selected respondents was done using a structured questionnaire. The study findings showed a significant positive relationship between strategic leadership practices (mission and vision, human capital development, organizational culture, ethical values, strategic and financial controls) and the performance of organizations. The study, however, was done in private universities and assumed a linear relationship between organizational performance, rather than financial sustainability and strategic leadership without considering the possible moderating variables. The research design was a correlational study design, unlike the descriptive, explanatory design used by this study.

A research by Kitonga (2017) sought, “to determine the effect of strategic leadership practices on not-for-profit organizations' performance in Nairobi County in

Kenya” (p. 14). The research design used for this research was the convergent mixed-method. The sample for the study was drawn from 305 strategic leaders from the target population. The study sought, “to establish the effect of determining strategic direction, the effect of developing human capital, the effect of emphasizing ethical practices, and the effect of maintaining balanced strategic control on not-for-profits’ organizational performance” (p. 14) The researcher found a positive correlation between development of human capital, determining strategic direction, maintaining balanced strategic controls, the emphasis of ethical practices and the performance of an non-profit organizations in Nairobi County (Kitonga, 2017). The study, however, focused on the direct relationship between strategic leadership practices and organizational performance. It did not specifically consider financial sustainability and the moderating influence of the environment. The study was done in non-profit organizations in Nairobi County whereas this study focuses on faith-based organizations in Africa. The research design used by Kitonga (2017) was convergent mixed methods, unlike this study which uses descriptive explanatory research design.

In another study, Olaka (2017) investigated, “the influence of strategic leadership on effective implementation of strategy in the commercial banks in Kenya” (p. 11). A positivism philosophical framework was adopted. The research design applied was causal explanatory. Strategic leadership theory informed this study. The researcher used both secondary and primary data. Using a self-developed questionnaire, primary data was collected from a census of 406 senior leaders in 40 commercial banks. The study established that each of the seven actions that characterize strategic leadership; namely developing human capital, determining strategic direction, maintaining and exploiting core competencies, emphasizing ethical practices, developing social capital, sustaining an organizations’ culture, and the establishment of balanced organizational goals significantly

influenced the implementation of strategy among commercial banks in Kenya. The study, however, focused on the direct relationship between strategic leadership and implementation of strategy in the for-profit sector and used causal explanatory research design, unlike this current study which focuses on the relationship between strategic leadership practices and financial sustainability. This study also checks for moderating effect of environmental factors.

A study by Mutia (2016) focused on strategic leadership and its influence on church growth in Kenya. The study used a descriptive correlational research design based on positivist philosophy. The study sample comprised 95 and 387 bishops and clergy respectively, drawn from the total population. The researcher used a structured questionnaire to obtain data from the identified sample. The study found out that a significant positive relationship exists between strategic leadership practices (strategic direction, human capital development, effective church culture, ethical practices, and balanced church controls) and the growth of churches. The study, however, looked at the relationship between church growth and strategic leadership practices. Furthermore, the study did not consider the indirect influence of the environmental factors in the relationship between church growth and strategic leadership (Mutia, 2016).

The inconclusive findings by previous scholars on how strategic leadership practices affect financial sustainability has left the question as to whether strategic leadership practices affect financial sustainability. Therefore, the current study purposed to investigate the effect of strategic leadership practices on financial sustainability among faith-based organizations affiliated to Wycliffe Global Alliance in Africa.

#### *Strategic Direction and Financial Sustainability*

The development of an organization's longer-term vision enables organizational leaders to focus their efforts on key focal points. This will consequently result in synergy

of organizational efforts leading to superior financial sustainability of an organization (Ireland & Hitt, 2005). In line with the first objective of this study, the researcher reviewed work done by previous researchers to check if the nature of the relationship between strategic direction and financial sustainability has been established.

A study by Omoro (2016) focused on, “the role of strategic leadership in strategy implementation in the Geothermal development company in Kenya” (p. 1). The purpose of this study was to determine the role that strategic leadership has in the implementation of strategy at the Geothermal Development Company (GDC). The theories that informed this study are contingency, upper echelons, and implementation theory. A case study was used where information was collected through interviews from primary sources. The respondents were drawn from strategy, research and innovation, resource development, corporate services, and drilling and infrastructure divisions that were seen to be essential in strategy implementation. The findings revealed that strategic direction has an important role in effective implementation of strategy at GDC. The study, however, focused on the influence of strategic direction on strategy implementation in a profit-making organization. It did not consider other strategic leadership practices. Furthermore, the study failed to consider the indirect influence of environmental factors on the relationship between the dependent and the independent variables (Omoro, 2016).

A study by Katee (2013) aimed at, “establishing the effect of strategic leadership on the performance of commercial and financial state corporations in Kenya” (p. 8). A descriptive study design was applied. Forty-eight financial and commercial state corporations in Kenya formed the target population for this study. Those who responded to the study were staff in charge of human resource departments and strategy. The instrument utilized to collect data in this study was a semi-structured questionnaire. Correlation analysis revealed that when strategic leadership (strategic direction, effective

organizational culture, effectively managed corporate resource portfolio, balanced organizational control) is practiced effectively, it enhances the performance of the organization (Katee, 2013). This study, however, focused on a profit-making organization and on performance as the dependent variable and not financial sustainability. It did not consider the possible role of environmental factors as a moderator in the relationship between the variables studied.

Nganga (2013) did a research on, “strategic leadership and performance of manufacturing firms in Kenya” (p. 12). The researcher applied a cross-sectional survey design and used 70 firms as the study sample. The research established that strategic leadership practices are widely exercised by manufacturing firms. The study further noted a positive relationship between strategic leadership practices (strategic direction and resource portfolio) and performance. Nganga (2013) also found out that firms that leveraged strategic leadership could overcome the industry challenges and be able to stand above competitors. However, this was done in a profit-making set up and used a cross-sectional survey design. Furthermore, it did not incorporate possible moderating variables' that affect the relationship between the independent variables and the dependent variable of the study.

Poku (2012) did a research on, “effect of strategic planning on the performance of the Agricultural Development Bank in Ghana” (p. 12). The researcher administered questionnaires to a sample size of 160 respondents where primary data was collected. Secondary data was obtained from reviewing textbooks, publications, financial records and internal records of Agricultural Development Bank. The study revealed that, strategic planning and its execution leads to greater performance within the banking industry. However, this study was done in a profit-making set up and it focused on performance in general and not on financial sustainability. It did not incorporate possible moderating

variables' that affect the relationship between the independent variables and the dependent variable of the study.

### *Exploiting and Maintaining Core Competencies and Financial Sustainability*

Previous strategic management researchers have recognized that core competencies are strategically valuable abilities to the organization (Andersson & Ramos-Reid, 2011). Furthermore, the identification of core competencies can help leadership evaluate crucial gaps in the organization, such as lack of integration of competencies or lack of routines for sustaining resources (Ljungquist, 2013). In line with the second objective of this study, the researcher reviewed work done by previous researchers on the nature of relationship between exploiting and maintaining core competencies and financial sustainability.

The study by Al-Nashmi and Heba (2020) sought to identify, “the impact of core competencies in achieving organizational excellence in Yemeni private universities” (p. 1). Descriptive analytical method was used. A questionnaire was used for the collection of data where 150 directors and deans of universities were respondents. Simple linear regression method was used for data analysis. The findings for the study was that core competencies have a significant effect on the excellence of private universities in Yemen. The findings also showed that the size of the university had an influence on the level of excellence (Al-Nashmi & Heba, 2020). The study, however, focused on the influence of core competencies on performance in the university set up unlike this study which focuses on financial sustainability of faith-based organizations. Furthermore, the study did not consider the indirect effect of environmental factors in the relationship between core competencies and financial sustainability.

A study by Jerab *et al.* (2011) was on, “the Impact of Core Competencies on Competitive Advantages in Istanbul Tourists companies” (p. 1). The study sought to examine the effect of core competencies on competitive advantage and success in Istanbul

tourist companies and how success can be sustained. This research was conducted using an empirical study. Data was obtained from 150 tourist firms that were successful in Istanbul. The data was analysed using descriptive statistics, correlation analysis, and multiple linear regression. The study found a positive correlation between company success and core competencies (Jerab *et al.*, 2011). The study, however, looked at the influence of core competencies on competitive advantage in a profit-making organization. The study also failed to consider the indirect effect of environmental factors in the relationship between core competencies and company performance which was considered by this study.

#### *Developing Human Capital and Financial Sustainability*

It is important to note that the development of human capital is significant for financial sustainability in an organization. Enhanced skills, knowledge and competencies helps the organization to perform better (Mubarik *et al.*, 2018). Human capital has largely been linked to organizational performance. It was important for the researcher to check what earlier researchers had found as the relationship between human capital and financial sustainability.

Chogozie and Emmanuel (2018) carried out a study titled, “Effect of Human Capital Development in Organizational Performance in Manufacturing Industries in South-East Nigeria” (p. 1). The study sought, “to evaluate the effect of human capital development in organizational performance in manufacturing industries in South-East Nigeria.” Chogozie and Emmanuel (2018) considered a population of 6,230 staff from South East Nigeria manufacturing companies. The survey approach was used. The sample for this study was 358 staff of manufacturing companies. The study found out that developing human capital has a positive and significant effect on the performance of manufacturing industries in South East Nigeria (Chogozie & Emmanuel, 2018). The study, however, was done in a manufacturing set up that is a profit-making entity and considered performance in general

rather than financial sustainability. The study did not consider the indirect effect of environmental factors in the relationship between human capital and organizational performance. The study also used a survey approach, unlike descriptive and explanatory research design used by this study.

A study by Kiswili *et al.* (2019) focused on, “the effect of human capital on the performance of deposit-taking SACCOs in Kenya.” The study objective was, “to examine the effect of human capital on the performance of deposit-taking savings and credit cooperative societies in Kenya.” The pragmatic research paradigm and descriptive, explanatory research design were used. The study target population was made up of 84 SACCOs. Purposive and stratified random sampling was used to get a sample of 184 managers out of the population that was targeted. A semi-structured questionnaire was used in the collection of primary data. Data extraction tools were applied to collect secondary data. This study established a significant positive effect that the development of human capital has on the performance of deposit-taking SACCOs in Kenya (Kiswili *et al.*, 2019). The study, however, had a focus on the influence of human capital on performance rather than financial sustainability in a profit-making organization. The study also adopted a pragmatic approach, unlike this study which used positivist approach and the explanatory research design.

A study by Tessema (2014) focused on, “the impact of human capital on company performance, the case of the footwear sector in Ethiopia” (p. 1). The main objective of the study was to, “establish the relationship between human capital components and firm performance of the leather footwear manufacturing SMEs in Ethiopia.” This study was conducted in SMEs division in Addis Ababa. The population for this study included all small-scale footwear sectors registered as SMEs. A sampling list of all small-scale footwear sectors was constructed from lists of members of SMEs in the study area. The target

population for this study was 322 small-scale footwear registered in the MSEs. The human capital theory underpinned this study. The study design used was the survey research design and a sample of 143 small-scale footwear enterprises in Addis Ababa. The analysis revealed that an investment in human capital leads to enhanced performance of SME's (Tessema, 2014). The study by Tessema (2014) however focused on the influence of human capital on organizational performance rather than financial sustainability in a profit-making setting. This study also failed to consider the indirect influence of environmental factors in the relationship between financial sustainability and human capital.

Ukenna *et al.* (2010) undertook a study titled, "Effect of investment in human capital development on organisational performance: Empirical examination of the perception of small business owners in Nigeria" (p. 1). The sample for this study was 25 owners of small-scale businesses where purposive sampling was used to select respondents in Awka Metropolis of Nigeria. The study used a structured questionnaire for the collection of primary data. This study revealed that human capital (skills and training) influences the performance of businesses (Ukenna *et al.*, 2010). The study, however, looked at the effect of human capital on the business sector performance in Nigeria. The current study focuses on the relationship between strategic leadership practices and financial sustainability of faith-based organizations in Africa. The study also did not consider the indirect influence of environmental factors in the relationship between human capital and financial sustainability (Ukenna *et al.*, 2010).

#### *Establishing Balanced Organizational Controls and Financial Sustainability*

Establishing Organizational controls in an organization is important since it is the process by which an organization influences its functions and members to behave in ways that lead to the achievement of organizational goals and objectives (Ireland & Hitt, 2005, p. 72). Establishing the relationship between balanced organizational controls and financial

sustainability is deemed important for faith-based organizations. A review to check the findings of earlier related studies was important.

Kwamensa (2016) focused on, “Strategic interventions on performance of construction companies in Kenya” (p. 1). The study used cross-sectional research design. It collected data using a questionnaire and interview guides. Factor analysis was used in the analysis of data. The study established that balanced organizational controls positively influence strategy implementation. However, this study was carried out in a profit-making organization. This study also did not consider the indirect influence of environmental factors in the relationship between organizational controls and financial sustainability. In addition, the study used a survey design compared to descriptive explanatory design applied by this study.

A study by Ogechi (2016) focused on establishing, “The effect of strategic leadership on the performance of small and medium enterprises in Kenya” (p. 11). The researcher used descriptive survey design. Three thousand and one registered small and micro enterprises in Kenya were the target population for the study. Using stratified sampling, 301 small and micro-enterprises formed the sample. The managers and owners of the selected organizations were the study respondents. A structured questionnaire was used to collect primary data. This study found out that balanced organizational controls positively influenced the performance of small and micro-enterprises in Kenya. This study, however, was done in the profit-making sector in Kenya, unlike the current study, which was done in the non-profit sector in Africa. The study by Ogechi (2016) focused on, “the linear relationship between balanced organizational controls and performance” and not on financial sustainability as a dependent variable. Furthermore, it did not incorporate the influence of moderating variables.

### *The Moderating Effect of Environmental Factors*

The environmental conditions change fast because of the global economy. In the past few decades, environmental conditions were relatively stable and predictable compared with the current and predicted states of these conditions in the 21<sup>st</sup> century (Ireland & Hitt, 2005, p. 65). In order to establish possible moderating influence of environmental factors on the relationship between strategic leadership practices and financial sustainability, the researcher reviewed relevant empirical literature.

Kipchumba (2018) did a study on, “Strategic responses to changes in the external environment and organizational performance of commercial state corporations in Kenya” (p. 1). The study objectives were, “to identify factors affecting commercial state corporations in Kenya, find out strategic responses that commercial and state responses that commercial state corporations in Kenya employ in reaction to the external environment change and to establish the effect of strategic responses on organizational performance of commercial state corporations in Kenya” (p. 10). A cross-sectional descriptive study design was used. The target population for the study was 33 Kenyan commercial state corporations. Questionnaires were used to collect primary data. The study established that the performance of state corporations is influenced by the external environment. The study, however, focused on performance of a state corporation, unlike this study that focused financial sustainability of faith-based organizations. Furthermore, cross-sectional descriptive design was used compared to descriptive, explanatory design applied by this study.

Maina (2017) undertook a study titled, “Effect of environmental factors on performance, a case of Barclays Bank” (p. 1). The study examined the influence of environmental factors on performance with a focus on Barclays Bank. A descriptive design was used. A sample was selected using the stratified sampling technique. Out of the target

population of 180, 54 respondents were chosen to form the sample. The researcher found out that environmental factors such as legal, political, economic, sociocultural factors significantly affected the bank's performance (Maina, 2017). The study, however, was done in profit-making setting. The environmental factors variable in the study were used as an independent variable and not as a moderating variable. Descriptive design was used compared to descriptive, explanatory design applied by this study.

Akrofi (2017) did a study titled, "The Impact of External Business Environment Factors on Performance of Small & Medium-Sized Enterprises in the Pharmaceutical Industry in Kumasi Metropolis" (p. 1). The study sought, "to examine the impact of external business environment factors on performance of Small & Medium-Sized Enterprises in pharmaceutical industry in Kumasi Metropolis." Data used in this research was obtained from 240 respondents. The analysis revealed that macro-environmental factors (economic, technological, political and legal) influence the performance of small and medium-sized enterprises (Akrofi, 2017). The study, however, mainly focused on the relationship between environmental factors and performance rather than financial sustainability in a profit-making sector as compared with faith-based organizations which was the focus of this study. The environmental factors variable in the study were used as an independent variable and not as a moderating variable.

A study by Ajala (2012) focused on, "The influence of the workplace environment on workers' welfare and productivity in government parastatals of Ondo State in Nigeria" (p. 3). The study used the descriptive survey research design. The 350 respondents were selected through a random sampling technique. Data collection was undertaken using a structured questionnaire. Data was analysed using simple percentages and mean values. The results indicated that good communication networks and workplace features influence the welfare, health, morale, productivity, and efficiency of the workforce (Ajala, 2012).

This study, however, focused on the internal work environment as an independent variable and not as a moderating variable.

Aisha and Hardjomidjojo (2013) studied, “The effects of working ability, working conditions, motivation, and incentive on employees' multi-dimensional performance” (p. 605). A questionnaire was used to collect data from randomly selected 150 staff of a university in Indonesia. The data analysis was done using the partial least square method. The results showed that motivation, working conditions, and incentives significantly influenced the performance of employees. The findings also showed that workload, expectancy, and facilities had negatively affected the performance of employees. Meanwhile; job security, working group, salary, goals, achievement, and fairness were positively shown to affect employee performance (Aisha & Hardjomidjojo, 2013). This study focused on the internal work environment as an independent variable. It did not consider its effect on the relationship between strategic leadership and financial sustainability.

#### Critique of Existing Literature Relevant to the Study

An assessment of strategic leadership practices literature shows the importance of strategic leadership practices in enhancing performance in an organization (Jaleha & Machuki, 2018). A significant part of the studies relevant to this study was done on the relationship between strategic leadership and the performance in profit-making organizations. Those done in the faith-based organizations were done outside Africa and particularly in the West. Accordingly, the various studies reviewed did not explicitly include environmental factors as a possible moderating variable in the relationship between strategic leadership and financial sustainability in faith-based organizations. The failure of researchers to extend this concept to faith-based organizations indicates a knowledge gap. To address this knowledge gap, therefore, the effect of strategic leadership on the financial

sustainability of faith-based organizations needed to be established, and the moderating effect of environmental factors on the relationship between strategic leadership practices and financial sustainability needed to be determined (Jaleha & Machuki, 2018).

### Research Gaps

The review of past literature showed contextual, methodological and conceptual gaps. Firstly, majority of the studies that had been done previously linking the three variables in this study had been done in the profit sector hence the need to conduct this study in a non-profit sector. In cases where similar studies had been done in the non-profit sector, most of the studies focused on strategic leadership and performance and not on strategic leadership and financial sustainability. For instance; Jonyo (2018) conducted a study on, “The effects of strategic leadership on organizational performance within private Universities in Kenya.” Olaka (2017) conducted a study about “The influence of strategic leadership on the effective implementation of strategy in the commercial banks in Kenya.” Therefore, none of the studies reviewed analysed the relationship between strategic leadership and financial sustainability in faith-based organizations in Africa.

Secondly, this study was necessitated by the established methodological gaps. Mutungi *et al.* (2020) expound that a methodological gap is said to exist in the method employed for obtaining information from respondents, the tool designed and used to collect the data besides how the raw data from respondents is analysed for the purpose of answering the research objectives of the study. Some of the previous studies used different research designs such as correlational study (Jonyo, 2018), convergent mixed-method (Kitonga, 2017), causal-explanatory (Olaka, 2017), and descriptive correlational research design (Mutia, 2016). This study used descriptive explanatory design.

Thirdly, this study established an existence of conceptual gaps that it sought to fill. Most of the studies that considered the six strategic practices identified by Ireland and Hitt

(2005) were done in profit-making organizations. Those done in non-profit organizations were in the non-governmental sector and not in faith-based organizations. The studies done also focused on performance as a whole and not financial sustainability. This study went further to consider the possible moderating role of environmental factors in the relationship between strategic leadership and financial sustainability since a few studies had examined the causal path of the influence of strategic leadership on organizational financial sustainability by considering environmental factors as the moderating variable.

#### Summary of the Literature Reviewed

Strategic leadership practices are important for organizations to ensure enhanced organizational performance (Ireland & Hitt, 2005). Organizations that effectively implement strategic leadership practices are likely to experience higher performance. However, this study found out that there is limited literature linking strategic leadership practices to financial sustainability of faith-based organizations. Much of the literature focuses on strategic leadership and organizational performance in profit-making organizations and non-governmental organizations.

Based on the empirical literature that was reviewed, it revealed that a considerable number of previous studies on the influence of strategic leadership on organizational performance had not taken into account the moderating role of environmental factors between the two variables. This seems to suggest that there are few studies that have been conducted to establish the relationship between the three variables of strategic leadership, environmental factors and financial sustainability. This study also established that some previous studies carried out regarding the influence environmental factors had considered them as an independent variable rather than as a moderating variable.

Contextually, the literature reviewed established a research gap in that majority of the studies on either the effects of strategic leadership practices on organizational

performance or the effects of strategic leadership on financial sustainability had been done in non-profit organizations that are not faith-based in nature and others in faith-based organizations outside Africa. The literature reviewed did not find any study on the effects of strategic leadership practices on financial sustainability or organizational performance with environmental factors as a moderating variable within any faith-based organization in Africa. The current study was conducted in faith-based organizations in Africa and therefore, filling the identified gap.

This study also found methodological gaps in previous studies during the comprehensive empirical literature review. Some studies had used different research designs from this study. For instance, Kitonga (2017) used convergent mixed method research design. Kiswili *et al.* (2019) used pragmatic research design. Kipchumba (2018) used descriptive design. This study made use of descriptive and explanatory research design that was different from the ones identified in the literature review.

From the reviewed conceptual and empirical literature, the study identified various gaps; limited research on the relationship between strategic leadership practices and financial sustainability, little research on the moderating effect of environmental factors on the relationship between environmental factors and financial sustainability. Finally, the available literature was done in different contexts and could not be duly generalized in the current context of the study. Below is a summary of the reviewed empirical literature.

*Table 2.2: Summary of Reviewed Literature*

Researcher	Focus	Findings	Critique	How Current study addressed the Research Gap
1 Jonyo (2018)	Effects of strategic leadership on organizational performance within private universities in Kenya	There was a significant relationship between strategic leadership practices and organizational performance in Kenyan private universities.	The study looked at the direct relationship between organizational performance and strategic leadership. It did not consider moderating variables. The research design used was correlational study design.	This study sought to bridge the gap by focusing financial sustainability of faith-based organizations in Africa. It considered environmental factors as a moderating variable. The study used descriptive, explanatory research design.
2 Kitonga, Bichanga, and Muema (2016)	“The effect of strategic leadership practices on performance in not for-profit organizations in Nairobi County, Kenya.” (p. 14)	There was a positive correlation between strategic leadership practices and performance in non-profit organizations in Nairobi County.	The study did not consider the moderating influence of the environment. The study also was done in non-profit organizations in Nairobi County. Convergent mixed methods research design was used.	This study also investigated the moderating effect of environmental factors. This study was done in faith-based organizations affiliated to Wycliffe Global Alliance in Africa. This study used descriptive and explanatory research design.
3 Olaka, Lewa, and Kiriri (2017)	Influence of strategic leadership on the effective implementation of strategy in the commercial banks in Kenya	Determining strategic direction, development of human capital, maintaining and exploiting core competencies, sustaining an effective organizational culture developing social capital, emphasizing of ethical practices, and	The study investigated the direct relationship between strategic leadership and the implementation of the strategy. The study was done on a commercial bank in Kenya which is a profit-making organization and used causal-explanatory research design.	This study looked at the relationship between strategic leadership and financial sustainability. It checked the moderating effect of environmental factors in faith-based organizations

			establishing balanced organizational goals significantly influenced strategy implementation in the banks in Kenya.		in Africa, and investigated the moderating influence of environmental factors. This study used descriptive and explanatory research design.
4	Mutia, (2015)	Strategic Leadership and its Influence on Church Growth in Kenya	There is a significant positive relationship between strategic leadership practices and organizational growth.	The study looked at the influence of strategic leadership practices on the growth of the church. Furthermore, the study did not consider the indirect influence of the environmental factors in the relationship between church growth and strategic leadership.	The current study focused on the effect of strategic leadership practices on financial sustainability. The study also considered the indirect effect of the environmental factors in the relationship between the indirect and the direct variable.
5	Omoró (2016)	The role of strategic leadership in strategy implementation in the Geothermal development company in Kenya	Strategic leadership plays a very crucial role in effective strategy implementation at GDC. "Strategic leadership role stirs commitment among people in the organization and ensures that they embrace change and implement strategies specifically meant for the achievement of the strategic vision."	The study looked at the influence of strategic direction on strategy implementation in a profit-making organization. Furthermore, the study did not consider the indirect influence of the external environment.	This study focused on the relationship between strategic leadership practices and financial sustainability in faith-based organizations affiliated to Wycliffe Global Alliance in Africa. It also investigated the moderating influence of environmental factors.
6	Katee (2013)	"Effect of strategic leadership on the performance of commercial and financial State Corporations in Kenya" (p. 1)	Effective strategic leadership affects organizational performance.	This study focused on a profit-making organization. It did not consider the moderating role of the environmental factors in the	This study was done in faith-based organizations in Africa. It considered

7	Nganga (2013)	Strategic leadership and performance of manufacturing firms in Kenya	The study established that strategic leadership practices are widely exercised in manufacturing firms and concluded that strategic leadership practices are positively correlated with performance.	relationship between strategic leadership and performance. This study was done in a profit-making set up. The study used cross-sectional survey design. It did not incorporate moderating variables' influence on the relationship between the independent and dependent variable of the study.	environmental factors as a moderating variable. The current study focused on financial sustainability rather than overall performance. This study used descriptive and explanatory research design. It also considered environmental factors as a moderating variable.
8	Poku (2012)	The effect of strategic planning on the performance of the Agricultural Development Bank in Ghana	The study revealed that, strategic planning and its execution leads to greater performance within the banking industry.	This study, done in a profit-making set up in Ghana did not incorporate possible moderating variables' that affect the relationship between the independent variables and the dependent variable of the study.	This study was done in faith-based organizations in Africa. It checked the moderating effect of environmental factors in the relationship between strategic leadership and financial sustainability in faith-based organizations.
9	Al-Nashmi and Heba (2020)	The Impact of Core Competencies on Achieving Organizational Excellence-A Field Study at Yemeni Private Universities	The results revealed a “significant effect of the core competencies on organizational excellence in private universities in Yemen.” The results also showed that there were significant differences related to organizational excellence attributed to the size of the university.	The study looked at the influence of core competencies on performance in the University set up. The study did not consider the indirect influence of the external environment in the relationship between core competencies and performance.	The current study included three other strategic leadership practices and focuses on faith-based organizations.

10	Jerab <i>et al.</i> (2011)	Impact of Core Competencies on Competitive Advantages in Istanbul Tourists companies	The research results indicate that there is a statistically significant relationship between core competencies, competitive advantages, and company success.	The study looked at the influence of core competencies on competitive advantage in a profit-making organization. The study also did not consider the indirect influence of the external environment in the relationship between core competencies and performance.	The current study included three other strategic leadership practices and focuses on faith-based organizations. The study also considered the moderating role in the relationship between the independent and the dependent variable.
11	Chogozie and Emmanuel (2018)	“Effect of Human Capital Development in Organizational Performance in Manufacturing Industries in South-East Nigeria”	The study found out that human capital development has a positive influence on organizational performance in manufacturing industries in South East Nigeria.	The study was done in a manufacturing set up which is a profit-making entity. The study did not consider the indirect influence of the external environment in the relationship between human capital and performance. The study also used survey approach.	The current study focused on faith-based organizations. It also included three other strategic leadership practices. This study used descriptive, explanatory research design.
12	Kiswili <i>et al.</i> (2019)	Effect of human capital on the performance of deposit-taking SACCOs in Kenya	This study found that human capital has a positive and significant effect on the performance of deposit-taking SACCOs in Kenya.	The study looked at the influence of human capital on performance in a profit-making organization. The study also adopted a pragmatic research design. Furthermore, the study did not consider the indirect influence of the external environment in the relationship between human capital and performance.	This study included other strategic leadership practices, namely strategic direction, core competencies, and balanced organizational controls. This study used the positivist approach and considered the indirect influence of the external environment in the relationship between

13 Tessema (2014)	The impact of human capital on company performance, the case of the footwear sector in Ethiopia	Estimation results using a regression model indicates that having the human capital investment in a company lead to the improved Company performance.	The study looked at the influence of human capital on organizational performance in a profit-making setting. This study by Tessema (2014) also did not consider the indirect influence of environmental factors in the relationship between human capital and performance. Furthermore, a survey design was used.	dependent and independent variables. This study was done in faith-based organizations in Africa. It also included other strategic leadership practices, namely strategic direction, core competencies, and balanced organizational controls. This study adopted the positivist paradigm and used descriptive, explanatory design.
14 Ukenna <i>et al.</i> (2010)	Effect of Investment in Human Capital Development on Organisational Performance: Empirical Examination of the Perception of Small Business Owners in Nigeria	The study found out that skills and training are stronger predictors of human capital effectiveness over and above education and knowledge.	The study looked at the influence of human capital on performance in the business sector in Nigeria. This study did not consider the moderating effect of environmental factors in the relationship between human capital and performance.	This study was done in faith-based organizations in Africa. It also included other strategic leadership practices; namely strategic direction, core competencies, and balanced organizational controls.
15 Kwamensa (2016)	Strategic Interventions on Performance of Construction Companies in Kenya	The study found out that establishing balanced organizational controls positively influences strategy implementation	However, it was done in a profit-making organization. This study by also did not consider the indirect influence of environmental factors in the relationship between organizational controls and performance.	This study was done in faith-based organizations in Africa. It also considered environmental factors as a moderating variable.

16	Ogechi (2016)	“The effect of strategic leadership on the performance of small and medium enterprises in Kenya” (p. 11).	Balanced organizational controls has a positive influence on the performance of small and micro enterprises in Kenya.	This study was done in the profit-making sector in Kenya. The study assumed a linear relationship between balanced organizational controls and performance without incorporating the influence of moderating variables.	This study was done in faith-based organizations in Africa. It also considered environmental factors as a moderating variable.
17	Kipchumba (2018)	Strategic Responses to Changes in the External Environment and Organizational Performance of Commercial State Corporations in Kenya	The study found out that the “external environment are significant factors affecting commercial state corporations.”	The study was done in a state corporation, unlike this study that focuses on faith-based organizations. Furthermore, cross-sectional descriptive design was used.	This study was done in faith-based organizations in Africa. It also looked at environmental factors as a moderating variable rather than as an independent variable.
18	Maina (2017)	“Effect of Environmental factors on Performance, a case of Barclays Bank	Environmental factors significantly affect the performance of Barclays Bank.	The study was done in a profit-making setting. The environmental factors variable in the study were used as an independent variable and not as a moderating variable. Descriptive design was used.	The current study was done in faith-based organizations. The study considered environmental factors as a moderating variable rather than an independent variable. The study used descriptive, explanatory design.
19	Akrofi (2017)	The Impact of External Business Environment Factors on Performance of Small & Medium-Sized Enterprises in the Pharmaceutical Industry in Kumasi Metropolis	There is a positive relationship between macro environment factors; particularly economic, political, technological and legal factors.	The study was done in a profit-making setting. The environmental factors variable in the study were used as an independent variable and not as a moderating variable.	The current study was done in faith-based organizations. It considered environmental factors as a moderating variable rather than as an independent variable.
20	Ajala (2012)	The influence of the workplace environment on	Good communication and workplace features at the	This study focused on the internal work environment as an	The current study was done in faith-based organizations. It

21 Aisha et al. (2013)	workers welfare and productivity in government parastatals of Ondo State, Nigeria” (p. 3). “The effects of working ability, working conditions, motivation, and incentive on employees' multi-dimensional performance” (p. 605).	place of work affect the worker’s welfare, morale, health, productivity and efficiency. A pleasant environment at the workplace plays a key role in enhancing employee performance.	independent variable and not as a moderating variable. The study by Aisha et al. (2013) focused on the internal work environment as an independent variable. It did not consider its influence on the relationship between strategic leadership and financial sustainability.	considered environmental factors as a moderating variable rather than as an independent variable. The current study was done in faith-based organizations. It considered environmental factors as a moderating variable rather than as an independent variable.
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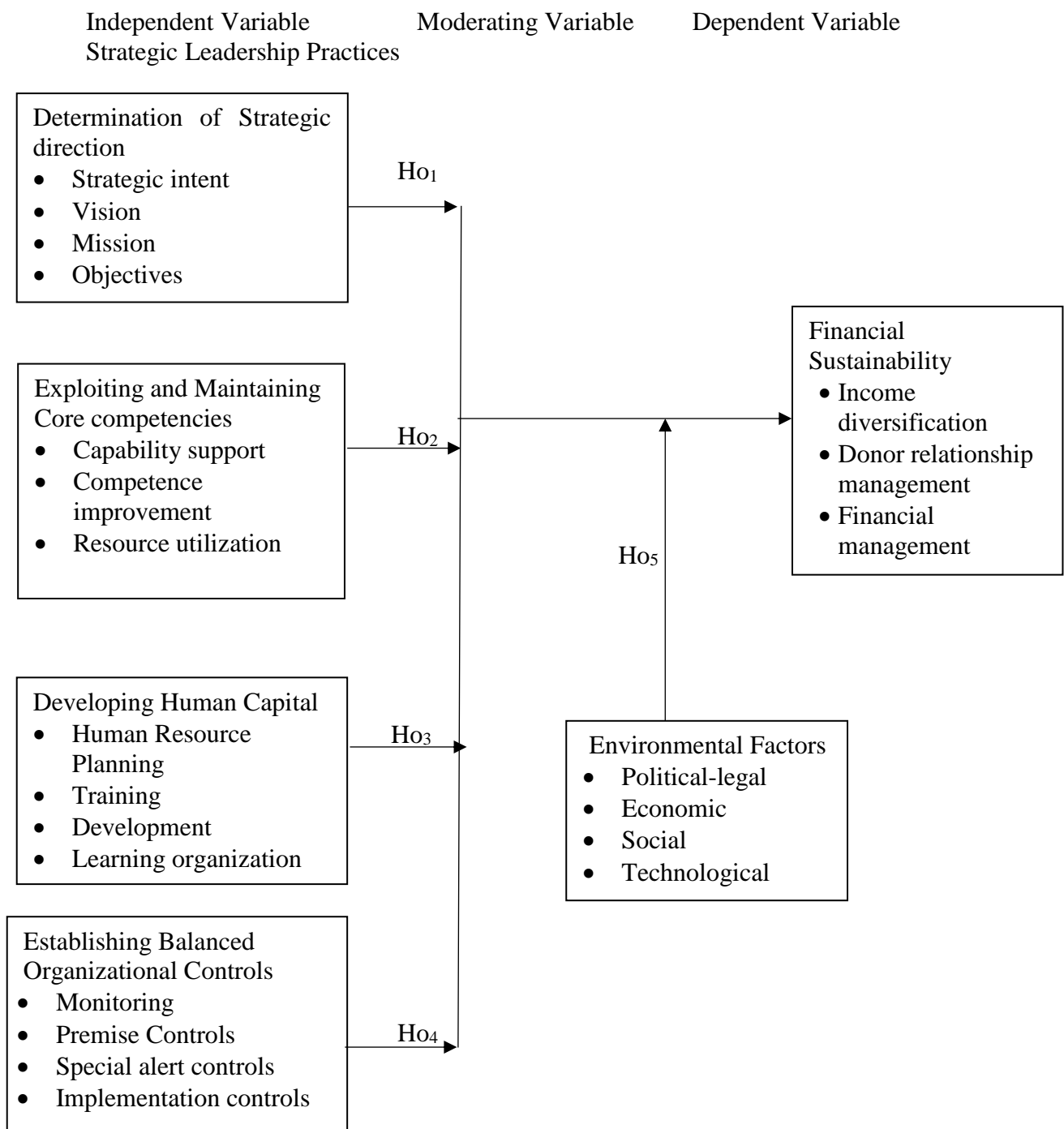
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Source: Author (2021).

## Conceptual Framework

According to Ravitch and Riggan (2016), “a conceptual framework is a representation of a researcher’s blend of literature on how to explain a phenomenon.” It stipulates required actions for the study, in view of the researcher’s previous understanding of the viewpoints and observation of other researchers about the study. The conceptual framework shows how the variables in the study connect, as understood by the researcher. It is also the map of the researcher that guides the investigation (Adom *et al.*, 2018).

According to Best and Young (2009), a, “conceptual framework is a diagrammatical representation that shows the relationship between the dependent variable and independent variables.” It also presents a specific description of the study phenomenon with a visual or graphical diagram of the key variables of the study (Adom *et al.*, 2018). The researcher developed a conceptual model based on three variables: The independent, the moderating, and the dependent variables, as shown below.



*Figure 2.1: Conceptual Framework*  
 Source: Author (2021).

The conceptual framework shown in figure 2.1 above demonstrates how strategic leadership practices relate with financial sustainability and the moderating role of environmental factors on the relationship between strategic leadership practices and financial sustainability. As an independent variable, strategic leadership practices were

operationalized using the following four indicators; strategic direction, core competencies, human capital and balanced organizational controls. Financial sustainability was the dependent variable. It was operationalized using the following three indicators; income diversification, donor relationship management and financial management systems. The construct of environmental factors was the moderating variable which was operationalized through political-legal, economic, social and technological environmental factors (Barkauskas *et al.*, 2015).

## CHAPTER THREE

### RESEARCH METHODOLOGY

#### Introduction

This chapter explains the procedures that the researcher followed carrying out the study. The section discusses the research philosophy, research design, population, sample, sampling method, types of data used, data collection methods, pre-testing of the instrument, the plan for data analysis, and research ethics observed during the study.

#### Research Philosophy

Research philosophy is a function of how a researcher thinks about how knowledge is developed (Johnson & Christensen, 2019). The use of a suitable research philosophy helps researchers eliminate factors that are not related to the research (Creswell, 2014). Saunders *et al.* (2014) categorize research philosophies into interpretivism, positivism, pragmatism and realism. Positivism is grounded in the assumption that reality does not change and therefore can be described and viewed objectively (Saunders *et al.*, 2014). Interpretivism is grounded on the belief that reality is multiple and relative. The person undertaking the research and the respondents are interdependent and mutually interactive with the goal of comprehending and providing an explanation for human behaviour instead of predicting causes and effects or generalizing (Schaffer, 2015). Realism is based on the understanding that objects exist independently of our knowledge, implying the possible reality which is independent of human awareness (Saunders *et al.*, 2014). Pragmatism argues that it is possible to work with interpretivist and positivist philosophies, with the most important research philosophy determinant being the research question (Neuman, 2014).

This research was built on the positivist approach. This is because the study relied on structured data collection to determine the nature of relationship between strategic

leadership practices and financial sustainability in faith-based organizations affiliated to Wycliffe Global Alliance in Africa. Furthermore, to comprehend the relationship between the study variables, quantitative information about the research variables was desirable (Akhtar, 2016). According to Cooper and Schindler (2014), the positivism viewpoint is premised on observations which are measurable in order for statistical analysis to be performed (Creswell, 2014). This study was quantitative in nature since it emphasized use of quantitative information during both collection and analysis of data (Bryman, 2016). Quantitative research technique is widely used and more vigorous because of its capability to produce more credible, consistent, generalisable and valid outcomes. Positivism also supports the aspect of hypothesis development and testing as advanced by Cooper and Schindler (2014).

### Research Design

“A research design is a conceptual structure within which research is conducted and constitutes a blueprint for the collection, measurement, and analysis of data” (Kothari & Garg, 2014, p. 31). Additionally, a research design outlines what will be done in the study, from defining the hypothesis and its operational implications to the last stage of analysing the data (Kumar, 2019). The commonly used research designs are experimental, observation, correlation, descriptive, explanatory, cross-cultural, and case study designs (Kombo & Tromp, 2019).

This study used explanatory and descriptive research designs. Descriptive research design allows researchers to construct a suitable profile of accurate and complete information about the characteristics of an event, community, population, or situation (Nassaji, 2015). Therefore, descriptive design helped the researcher to describe the characteristics and data about the population under study so as to comprehend the nature of association among the study variables (Yin, 2017). The study also adopted the

explanatory research approach, which helped to, “examine and explain the relationships between variables in a particular cause-and-effect relationship” (Saunders *et al.*, 2016, p. 356). This design was employed because the study was concerned with learning how the strategic leadership practices (independent variable) produced a change in financial sustainability (dependent variable) hence explained the causal relationships of the variables (Saunders *et al.*, 2014).

### Target Population

According to Creswell (2014), “the population is a group of individuals or entities with some common characteristics the researcher plans to study with the aim of generalizing the findings about the target population” (p. 204). In order to be counted as part of the population, those making up the general population should have at least one attribute of interest in common (Asiamah *et al.*, 2017). The target population is made up of selected individuals from the general population determined using selection criteria. The researcher's interest in choosing target population members was to reach candidates who have appropriate knowledge and experience and could provide the information to address the goal of the research (Asiamah *et al.*, 2017).

The target population for this study was the 18 faith-based organizations affiliated to Wycliffe Global Alliance in Africa. A total of 198 top-level leaders formed the respondents of the study who were studied at three levels namely directors, heads of departments and heads of units. The unit of analysis for this study was the 18 faith-based organizations that were affiliated to Wycliffe Global Alliance in Africa. The unit of observation was the top-level leaders comprising directors, heads of departments, and heads of units who are also respondents. This was in line with what Hanson *et al.* (2016) postulated that the primary responsibility for effective strategic leadership lies with the top-

level leadership in the organization. Table 3.1 below shows the target population for this study.

*Table 3.1: Target Population*

Organization	Country	Dire ctors	Heads of Depart ments	Head s of Units	Total
ACATBA	Central Africa Republic	1	4	0	5
ACOTBA SUBO	DRC	1	3	6	10
ACTB	Equatorial Guinea	1	3	0	4
ANTBA	Burkina Faso	1	3	4	8
ATALTRAB	Chad	1	4	10	15
BTL	Kenya	1	6	13	20
CABTAL	Cameroon	1	4	15	20
ECCMY	Ethiopia	1	6	0	7
ECFE	Ethiopia	1	5	0	6
ECSTD	Sudan	1	3	6	10
GILLBT	Ghana	1	4	11	16
ITA	Guinea Bissau	1	4	10	15
NBTT	Nigeria	1	4	11	16
WYCLIFFE AFRICA	Kenya	1	5	0	6
WYCLIFFE BENIN	Benin	1	4	7	12
WYCLIFFE ETHIOPIA	Ethiopia	1	5	12	18
WYCLIFFE SOUTH AFRICA	South Africa	1	3	0	4
WYCLIFFE TOGO	Togo	1	5	0	6
Total number of top-level leaders		18	75	105	198

Wycliffe Global Alliance. (2020). Organizations, Wycliffe Global Alliance Africa.

### Sample Size

According to Kumar (2019), “sampling is the procedure of choosing a few components from a larger group” (p. 21). The sample of selected results is used to generalize or predict a conclusion regarding the population. A, “sample design is a definite plan for obtaining a sample from a given population” (Kothari & Garg, 2014).

A researcher can choose between collecting data from the entire target population or from a sample. According to Israel (2009), a census is suitable for a target population of less than 200. Furthermore, the choice of a census is dependent on the study purpose, the nature of the study population, the accuracy level needed, the number of variables included,

the rate of response anticipated, and whether the research is qualitative or quantitative (Cohen *et al.*, 2011). In order to be assured of a representative nature of the target population and to ensure that the study objectives would be attained, the researcher did a census of the target population (Cohen *et al.*, 2011).

### Sampling Method

The researcher carried out a census covering all the elements in the population that were targeted. Cooper and Schindler (2014) highlight the suitable requirements for a census study. One is in cases where there is a small target population and, in a case, where study elements differ. The target population of 18 organizations and 198 respondents suggested that a census was appropriate since it was a small size. The target population was also made up of different groups of people in terms of nationality, age, culture, gender, among others. This meets the second condition of a census study (Cooper & Schindler, 2014). A census allowed the results of the study to be generalized. Finally, because of the potential low response rate from the target population, a census was preferable in order to be sure of sufficient responses for analysis. The 198 respondents for this study was made up of the top-level leaders of each faith-based organization affiliated to Wycliffe Global Alliance in Africa comprising directors, heads of departments, and heads of units. The selection of top-level leaders was informed by the upper echelons theory which states that strategic choices and performance are dependent on the characteristics of dominant actors within an organization and, in particular, the top management team (Hambrick, 2007).

### Types of Data

According to Walliman (2017), data can be secondary or primary. Primary data is essential information, which is initially obtained from participants and has never been documented earlier. It refers to, “that source of data collected directly from sources such as respondents or the field where data is available.” Secondary data is optional information,

already collected by someone else and has gone through measurable procedures (Kothari & Garg, 2014). This data is normally obtained from reports, books and other publications (Ajayi, 2017). Although secondary data collection and analysis provide comprehensive data which would otherwise not be possible for one researcher to obtain on their own, primary data is however, more reliable since it is obtained from the research participants directly and is, therefore, bias-free (Kothari, 2013). For this study, primary data obtained from directors, heads of departments and heads of units was used.

#### *Operationalization of Variables*

Operationalization of variables is a process of establishing quantifiable, measurable, and valid indexes for dependent and independent study variables (Trochim & Donnelly, 2008). In this study, the constructs which are the unobserved or latent variables were measured by the use of composite variables. This study conceptualized seven latent variables namely strategic direction, human capital, organizational controls, core competencies, environmental factors, and financial sustainability. The composite variables generated in the study were used to measure the latent variables.

The independent variable for this study was strategic leadership practices. This study's strategic leadership practices dimensions were based on the model of strategic leadership by Ireland and Hitt (2005). The four key strategic leadership practices that were considered for this study are; determining strategic direction, developing human capital, establishing balanced organizational controls, exploiting and maintaining core competencies.

The moderating variable for this study was environmental factors. The study was guided by the recommendation by Sammut-Bonnici and Galea (2015) who indicated that the key environmental factors that affect faith-based organizations are economic, political and legal, social and technological factors.

The dependent variable for this research was financial sustainability. The measures for financial sustainability in not-for-profit organizations proposed by Mitlin *et al.* (2007) were used. These measures were operationalized as income diversification, donor relationship management, and financial management practices (Ebenezer *et al.*, 2020).

For inference purposes, it was important to measure the respondents' views on the importance of the individual independent and moderating variables in influencing the dependent variable. To enable this, the summated rating method was adopted (Zikmund *et al.*, 2013). The summated rating method, "is a measure of attitudes designed to allow respondents to rate how strongly they agree or disagree with carefully constructed statements ranging from very positive to very negative attitudes towards a specific aspect." These summated ratings bear ordinal data. The study variables were measured by using a five-point Likert scale that ranged between 1 and 5; where 5 represented strongly agree, and 1 represented strongly disagree (Cooper & Schindler, 2014). All the constructs to measure based on the review of literature were operationalized onto the questionnaire as shown in the operationalization of variables table 3.2 below.

Table 3.2: Operationalization of Variables

Construct/ Variable	Type of Variable	Scale	Operationalization of the Variable	Indicators	Measurement in the Questionnaire
Strategic Direction	Independent variable	Ordinal (Likert scale)	Involves specifying the vision and the strategy or strategies to achieve the vision over time	1. Strategic Intent 2. Vision 3. Mission 4. Objectives	Appendix V, Part B Questions 1.1 to 1.9
Core Competencies	Independent variable	Ordinal (Likert scale)	Are collective learning in the organization, leaning on how to coordinate diverse service provision skills, integrate multiple streams of technologies in order to provide benefit to the beneficiaries	1. Capability support 2. Competence improvement 3. Resource utilization	Appendix V, Part C Questions 2.1 to 2.6
Human Capital	Independent variable	Ordinal (Likert scale)	Refers to competencies, skills and knowledge of an organization's entire workforce that enables them to carry out work and produce economic value.	1. Training 2. Development 3. Learning organization	Appendix V, Part D Questions 3.1 to 3.9
Organizational Controls	Independent variable	Ordinal (Likert scale)	Are measures that that guide the usage of strategy, indicate how the comparison is made between the expected and actual results, and propose the actions to be taken as correction measures when disparity is not acceptable	1. Monitoring 2. Premise control 3. Special alert control 4. Implementation control	Appendix V, Part E Questions 4.1 to 4.12
Environmental Factors	Moderating variable	Ordinal (Likert scale)	Refers to those elements existing outside the organization's boundaries such as economic, political, technological, and social aspects that influence its performance	1. Political-legal factors 2. Economic factors 3. Social Factors 4. Technological factors	Appendix V, Part F Questions 5.1 to 5.10

Financial Sustainability	Dependent variable	Ordinal (Likert scale)	Refers to the capability of an organization to maintain funds or resources that give ability to procure opportunities and respond to unanticipated uncertainty while continuing normal operations	1. Income Diversification 2. Donor Relationship Management 3. Financial Management Systems	Appendix V, Part G Questions 6.1 to 6.7 Appendix V, Part H Questions 7.1 to 7.8 Appendix V, Part I Questions 8.1 to 8.8
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Source: Author (2021)

## Data Collection Methods

### *Data Collection Instrument*

A questionnaire was used in this research for collection of primary data. This is, “a research instrument that gathers data over a large sample and is more appropriate when addressing sensitive issues since it offers greater anonymity” (Kabir, 2016). The research instrument used to gather quantitative data was a structured questionnaire. A questionnaire is a tool used extensively for the collection of data, especially in research carried out in the field of social sciences. The questionnaire collects appropriate information in the most valid and reliable manner (Taherdoost, 2016). The questionnaire gathered demographic information on the respondents, strategic leadership practices, the influence of environmental factors, and financial sustainability in the organization (Creswell, 2015).

The structured questionnaire shown in Appendix 1 begins with a section where respondents provided some basic demographic information. This was followed by questions with details on each of the strategic leadership practices, environmental factors, and financial sustainability. The questionnaire used only had closed-ended questions to allow the comparison of answers from different respondents (Cooper & Schindler, 2014).

The research tool had a five-point Likert scale with strongly agree in one end of the continuum and strongly disagree on the other end. The midpoint depicted a neutral position or indecision and was shown as undecided. The provision of a rating for unforced-choice was required to give respondents the opportunity to indicate no opinion when they were not able to choose among the alternatives in view of the fact that not all respondents would have a position or an attitude on every question (Dalati, 2018). This helped remove the biases resulting from undecided respondents or those without an opinion being required to make a choice. Forced-choice scales could potentially increase measurement error because; when there is no neutral point, respondents may not reliably score on either side of the issue (Gustiawan, 2018). Through the pre-testing process, the researcher made sure that the questions were easy to comprehend, clear, pleasant to the eye, and the sequence easier to follow (Kumar, 2019).

#### *Data Collection Procedure*

Before data collection, the researcher submitted a research protocol that explained the full details of the study for review, and approval by the ethics review committee of Pan Africa Christian University. A research introduction letter was then obtained from Pan Africa Christian University after receiving the ethics review committee approval. Permission to carry out the research was then obtained from the National Commission for Science, Technology, and Innovation (NACOSTI) before commencing the collection of data.

The researcher then obtained permission to do a pre-test at SIL Cameroon, SIL Togo-Benin, SIL Kenya and SIL Ethiopia. The researcher sent an introduction letter from Pan Africa Christian University together with the link to the online questionnaire using the emails that were provided. The responses were received through google forms and analysed before actual data collection was done.

After receiving authorization from the Wycliffe Global Alliance, Africa Area Director, the researcher gathered emails of study respondents. A research assistant was then trained and engaged to help with data collection. This was necessary in order to minimize bias given that the researcher worked in the same organization where the research was being undertaken. Ethical expectations observed during the research were then discussed with the research assistant, who gave his consent to be part of the research process. The researcher then shared respondent emails with the research assistant together with the researchers' introduction letter, Wycliffe Global Alliance research authorization letter and an online questionnaire generated using google forms. The research assistant thereafter shared the researchers' introduction letter and the online questionnaire link with the respondents.

The link and the letters were sent to all the study respondents through email. The respondents read the instructions, the consent form and the questions, then responded appropriately sequentially from the beginning to the end then submitted their responses online using google forms platform. Follow up was done by the research assistant periodically to urge those who had not submitted their responses to do so. After receipt of all responses, the research assistant sent all the anonymous responses to the researcher for data analysis.

#### Instrument Pre-testing

A pre-test of the research instrument was done to check its reliability and validity. This process ensured a higher degree of consistency and stability of the research instrument (Kumar, 2019). The pre-test process of the questionnaire used for the study helped the researcher to know if the respondents interpreted the questions and phrases as expected, check concepts, detect mistakes, vocabulary against survey objectives, definitions, and

identify any questions not answered correctly by respondents (Nanda *et al.*, 2013; Taber, 2018).

The questionnaire was subjected to a pre-test at Summer Institute of Linguistics (SIL) in four organizations; SIL Cameroon, SIL Togo-Benin, SIL Kenya and SIL Ethiopia. Thirty questionnaires were shared with the pre-test survey respondents, who represented 22.2% of the target population. This rate was slightly higher than the rate of 10% recommended by Kumar (2019); who indicated that a pre-test should cover at least 10% of the target population. SIL is an international faith-based organization with operations in various countries in Africa (Franklin, 2016). The organizations chosen for the pre-test were in countries where both SIL International and an organization affiliated to Wycliffe Global Alliance were present.

### *Reliability*

The, “reliability of the instrument of measurement refers to the degree to which the instrument supplies consistent results” (Gaus, 2017). In addition, “reliability pertains to the degree to which a measurement tool is free of random error and has the perspectives of stability, equivalence, and internal consistency” (Cooper & Schindler, 2014). When reliability is higher, it indicates that an independent research process by future researchers would lead to similar results (Saunders *et al.*, 2014).

The researcher tested the reliability of the study questionnaire to ensure that it produced data or results that are consistent with repeated tests (Creswell, 2014). The researcher used the Cronbach Coefficient (Alpha Value) to check the reliability of the questionnaire. The Cronbach Coefficient is an important reliability index that considers the number of items or variables of the instrument and the correlation between the variables to measure reliability (Anastasiadou & Anastasiadis, 2011).

According to Tashakkori and Teddlie (2009), any Cronbach coefficient (Alpha value) above 0.7 is acceptable. The reliability of a data collection instrument is stated as a coefficient that lies between zero and one. The instrument has a higher internal consistency if the Cronbach coefficient is closer to 1.0 (Tashakkori & Teddlie, 2009). Donald and Theresa (2013) also noted that research instruments are deemed reliable if the reliability is 0.7 and above. The study, therefore, adopted any coefficient correlation above 0.7.

A pre-test was therefore done to test the questionnaire for reliability before the actual collection of data. After obtaining relevant permissions, data was collected using the study questionnaire from SIL Ethiopia, SIL Kenya, SIL Cameroon and SIL Togo Benin. The questionnaires that were administered to pre-test survey respondents were 30. Twenty-two were completed and submitted giving a response rate of 73.3% for the pre-test study.

The reliability test done during pre-test produced an overall Cronbach alpha correlation coefficient of above 0.7 for all the variables as shown in the table below.

*Table 3.3: Reliability Statistics for Pre-test*

	No. of Items	Pre-test Cronbach Alpha
Strategic Direction	9	0.839
Exploiting and Maintaining Core Competencies	6	0.729
Developing Human Capital	9	0.753
Organizational Controls	11	0.889
Environmental Factors	10	0.900
Financial Sustainability	22	0.863
Overall Cronbach Alpha		0.835

Source: Research Data (2021)

From the above table, pre-test results showed that the correlation coefficient for strategic direction was 0.839. Exploiting and maintaining core competencies was 0.729. Developing human capital was 0.753. Organizational controls was 0.889, environmental factors 0.900 and financial sustainability 0.863. The overall Cronbach alpha for the instrument was 0.835.

The pre-test study results showed a strong internal consistency of the study variables and hence the research instrument was adopted for the study. Informed by inquiries by some respondents seeking clarification on those questions, a few adjustments were done on the instrument to improve clarity in the wording of some of the questions (Jamli & Salim, 2019).

### *Validity*

The validity test checks whether a particular research instrument measures what it is expected to measure with precision and accuracy (Zohrabi, 2013). According to Bryman (2016), an instrument is considered valid if the measures conform to the ideals described in the theoretical framework (construct validity) and if it measures all variables represented in the conceptual framework (content validity). The types of validity applicable for this study were construct and content validity.

#### *Construct Validity*

Construct validity considers the measuring instrument and the theory being employed. Construct validity in a study is enhanced through a clear conceptualisation of target constructs, choosing validation samples thoughtfully, giving careful attention to wording of the items, emphasizing unidimensionality, and testing the item pool against constructs that are closely related (Bennett & McWhorter, 2016). This study applied factor analysis (Bartlett's Test of Sphericity and Kaiser-Meyer-Olkin measures) to test for construct validity. This analysis is a statistical technique that checks the interrelationship between a large number of variables to establish if an underlying combination of a factor explains the original set with minimal loss of information (Cooper & Schindler, 2014).

Bartlett's Test of Sphericity and Kaiser-Meyer-Olkin measures were used to ascertain construct validity. According to Hadi *et al.* (2016), a Kaiser-Meyer-Olkin tests the suitability and validity of the factors for the study. For a value to be significant, the

value should be between 0 and 1. An index of 0.5 and above is considered very good. The acceptable significance level for the Bartlett’s Test of Sphericity should be lower than 0.05 (Pallant, 2020). This study adopted the acceptable index which should be less than 0.05.

The following scale was used in interpreting the Kaiser–Meyer–Olkin (KMO) and Bartlett’s Test of Sphericity (Hair *et al.*, 2010).

*Table 3.4: KMO Measures and Bartlett’s Test of Sphericity Interpretation Scale*

Indicators	Cut off value
Kaiser–Meyer–Olkin (KMO)	Recommended value of 0.6 or above
Meritorious	0.80 and above
Middling	0.70 to 0.80
Mediocre	0.60 to 0.70
Miserable	0.50 to 0.60
Unacceptable	Less than 0.50
Bartlett’s Test of Sphericity	Significant at $\alpha < .05$

Source: Hair *et al.* (2010)

The researcher undertook KMO and Bartlett's test to check the validity and suitability of items of all study variables as shown in table 3.5 below.

Table 3.5: KMO Measures and Bartlett's Test for Pre-test

Strategic Direction	KMO Measure of Sampling Adequacy.	0.783
	Approx. Chi-Square	1380.586
	Bartlett's Test of Sphericity Df	231
	Sig.	.000
Core Competencies	KMO Measure of Sampling Adequacy.	0.657
	Approx. Chi-Square	1380.586
	Bartlett's Test of Sphericity Df	231
	Sig.	.000
Human Capital	KMO Measure of Sampling Adequacy.	0.647
	Approx. Chi-Square	1380.586
	Bartlett's Test of Sphericity Df	231
	Sig.	.000
Organizational Controls	KMO Measure of Sampling Adequacy.	0.783
	Approx. Chi-Square	1380.586
	Bartlett's Test of Sphericity Df	231
	Sig.	.000
Environmental Factors	KMO Measure of Sampling Adequacy.	0.786
	Approx. Chi-Square	1380.586
	Bartlett's Test of Sphericity Df	231
	Sig.	.000
Financial Sustainability	KMO Measure of Sampling Adequacy.	0.647
	Approx. Chi-Square	1380.586
	Bartlett's Test of Sphericity Df	231
	Sig.	.000

Source: Research Data (2021)

Strategic direction construct was measured using nine items. Thus, the construct was analysed to obtain the appropriate measure. The study found out that strategic direction had KMO value of 0.783 and based on the interpretation scale by Hair *et al.* (2011) on table 3.4 the KMO indicator was middling and Bartlett's test;  $X^2 (36, N=22) = 135.188, p = 0.000$ . Since the index is above 0.6 and the p value is less than 0.05, the items used for strategic direction were suitable and valid for the study.

KMO and Bartlett's test was also done to determine the validity and suitability of items of exploiting and maintaining core competencies. This variable was measured using six items. Thus, the construct was analysed to obtain an appropriate measure as shown in table 3.5 above. The study found out that exploiting and maintaining core competencies

had KMO value of 0.657 and Bartlett's test;  $X^2 (36, N=22) = 272.253, p=0.000$ . Based on the interpretation scale by Hair *et al.* (2011) on table 3.4 the KMO indicator was middling. Therefore, the items used for exploiting and maintaining core competencies as shown by the Kaiser-Meyer-Olkin (KMO) value were suitable and valid.

Developing human capital construct was measured using nine items. Thus, the construct was analysed to obtain an appropriate measure as shown in table 3.5 above. The study found out that developing human capital had KMO value of 0.647 and Bartlett's test;  $X^2 (36, N=22) = 122.536, p=0.000$ . With reference to the interpretation scale by Hair *et al.* (2011) on table 3.4, the KMO indicator was middling. Hence, the validity and suitability of the items used for developing human capital as shown by the Kaiser-Meyer-Olkin (KMO) value were suitable and valid for the study.

Balanced organizational controls construct was measured using 11 items. Thus, the construct was analysed to obtain an appropriate measure as shown by table 3.5 above. The study found out that establishing balanced organizational controls had KMO value of 0.920 and Bartlett's test;  $X^2 (55, N=22) = 227.937, p=0.000$ . Based on the interpretation scale by Hair *et al.* (2011) on table 3.4 the KMO indicator was middling. Hence, items used for establishing balanced organizational controls as shown by the Kaiser-Meyer-Olkin Measure (KMO) value were suitable and valid.

KMO and Bartlett's test was also done to check the validity and suitability of items of environmental factors. Environmental factors construct was measured using 11 items. The KMO and Bartlett's values are shown in table 3.5 above. The study found out that environmental factors had KMO value of 0.786 and Bartlett's test;  $X^2 (45, N=22) = 224.362, p=0.000$ . Based on the interpretation scale by Hair *et al.* (2011) on table 3.4 the KMO indicator was middling. Hence, the items used for environmental factors as shown by the Kaiser-Meyer-Olkin (KMO) value were valid and suitable.

Financial sustainability construct was measured using 11 items. Thereby, the construct was analysed to obtain an appropriate measure as shown in table 3.5 above. The study found that financial sustainability factors had KMO value of 0.647 and Bartlett's test;  $X^2 (231, N=22) = 540.256, p=0.000$ . With reference to the interpretation scale by Hair *et al.* (2011) on table 3.4, the KMO indicator was middling. Hence, items used for financial sustainability as shown by the Kaiser-Meyer-Olkin (KMO) value were suitable and valid.

Therefore, since the KMO value for strategic direction, exploiting and maintaining core competencies, developing human capital, organizational controls, environmental factors and financial sustainability were higher than 0.6 and less than one, the results were within the range which is acceptable. The Bartlett's Test of Sphericity results p-value for all the variables was 0.000. Since this is less than 0.05, the results of this test indicated validity and suitability of all the items to be subjected for further data analysis (Ng'ang'a, 2018).

#### *Content Validity*

"Content validity of a measuring instrument refers to the extent to which the instrument provides sufficient coverage of the investigative questions guiding the study" (Cooper & Schindlers, 2014). Content validity is also described as the, "degree to which elements of an assessment instrument are relevant to and representative of the targeted construct for a particular assessment purpose" (Yusoff, 2019, p. 49). As such, content validity is considered good if the instrument is representative of the whole area of study interest.

Content validity was attained in this study through a comprehensive review of literature and by subjecting the instrument to an evaluation by strategic leadership and finance experts who gave their feedback on the relevance of each instrument item. This is in line with the recommendation by Yusoff (2019) who observed that content validity can

be attained through expert input, getting feedback from representatives of the relevant populations and review of literature. The questionnaire was developed through the advice from the researcher's supervisors, a process that ensured the items in the questionnaire addressed issues under study. The data collection instrument also adequately covered the dimensions covered within the literature review as relevant for strategic leadership practices, environmental factors, and financial sustainability (Cooper & Schindler, 2014).

### Data Analysis

To be useful, data should be analysed so that it provides answers to the research problems. Data analysis is a process that involves examination, categorization, and tabulation of evidence; a process that paves the way for the transformation of data into knowledge by interpreting the results. Data analysis, therefore; is the entire process, starting soon after the collection of data and ends at interpreting and processing results (Kumar, 2019).

In this study, the data collected was checked by the researcher to ensure that all expected responses reflected expectation and also to check for any inconsistent or false information (Nanda *et al.*, 2013). The data was then coded and tabulated using Statistical Package for Social Sciences (SPSS) version 27. Descriptive and inferential statistics were worked out.

### *Descriptive Statistics*

Descriptive statistics are a group of statistical methods that are used to describe the basic data features and provide simple summaries about the target population and the measures which form the basis of almost every data analysis (Cooper & Schindler, 2014). The study used descriptive analysis to, “summarize data in an organized manner by describing the relationship between variables in the target population” (Kaur *et al.*, 2018, p. 60). Descriptive statistics generated using SPSS included frequencies, percentages,

means, and standard deviation. The interpretation of the mean obtained from the five-point Likert scale was done using a scale developed by Mansor *et al.* (2018, p. 1401).

*Table 3.6: Interpretation of Descriptive Statistics Levels*

Mean Score	Interpretation
1.00 to 2.00	Low
2.01 to 3.00	Moderately low
3.01 to 4.00	Moderately high
4.01 to 5.00	High

Source: Mansor *et al.* (2018)

### *Inferential Statistics*

Inferential statistics were used by the researcher to reveal the nature of the relationship between the study variables. Correlation analysis, simple linear regression and multiple linear regression analysis were the inferential statistics methods which were used for this study (Cooper & Schindlers, 2014).

A composite index was worked out before inferential statistics were done. The study used the weighted harmonic mean following the recommendation by Kilika (2012); Kilika *et al.* (2012). The computation of an index for each variable was necessary since data was obtained using the Likert scale. There was an adjustment of the harmonic mean value to obtain each variables' relative weight using the formula below.

$$C_i = \sum_{i=1}^N \left( \left( \frac{n}{\sum_{i=1}^n \frac{1}{x_i}} \right) W_i \right) \quad \text{Source: Kilika (2012)}$$

Where:

C<sub>i</sub> = Composite Index for Variable.

i. The variables for which indices will be computed are strategic direction, exploiting and maintaining core competencies, developing human capital, and establishing balanced organizational controls, environmental factors and financial sustainability.

N=Total number of components that comprises the specific variable.

$n$ =Total number of respondents who will provide responses to the respective part of the questionnaire.

$X_i$ =Percentage mean score for each component for each faith-based organization affiliated to Wycliffe Global Alliance, computed as a ratio of the actual score to the maximum possible score on the statements for each variable.

$W_i$ =The weight of the mean score for each variable computed as the ratio of the mean scores for each variable to the sum of all the mean scores (Kilika, 2012; Kilika *et al.*, 2012).

Correlation analysis was applied in the study to find out the relationship between each independent variable with the dependent variable. The correlation analysis was done using the Pearson correlation analysis, which shows the direction and strength of the relationship between the study variables. The test was conducted in a two-tailed test at 5% significance level. The critical value was set at 0.05 above which the association was deemed not significant and vice versa (Cooper & Schindlers, 2014).

The correlation coefficient value ( $r$ ) in correlation analysis indicates the strength of the association between the dependent variable (financial sustainability) and the independent variable (strategic leadership practices). The direction of the relationship is shown by the sign of  $r$  which is either a positive or a negative value. Cohen’s (1988) scale shown in table 3.7 below was used for the interpretation of ( $r$ ) value in this research.

*Table 3.7: Interpretation of Correlation Coefficients*

Correlation Coefficient	Interpretation
$\pm 0.01$ to $\pm 0.29$	Low positive/Low negative
$\pm 0.30$ to $\pm 0.49$	Moderate positive/Moderate negative
$\pm 0.50$ to $\pm 1.00$	High positive/High Negative

Source: Cohen (1992)

According to Cooper and Schindler (2014), “regression is a statistical technique that is often used to analyse the relationship between a single dependent variable and several independent variables.” Simple linear regression was used to check the nature of

relationship between each independent and the dependent variable and the moderating effect the independent variable had in the dependent variable. Multiple linear regression model was used to determine the relationship between financial sustainability and the strategic leadership practices in this study. It was also used to test the moderating effect of environmental factors in the relationship between strategic leadership practices and financial sustainability. Multiple regression analysis was suitable for this research because of the need to analyse relationships of more than two independent variables. The R-square value (coefficient of determination) was used to determine the percentage of financial sustainability (dependent variable) explained by the strategic leadership practices (independent variables).

#### *Diagnostic Tests*

The multiple linear regression analysis results can be depended on if the data used meets some preliminary diagnostic tests. Therefore, before conducting inferential analysis, tests to check the conformity of the assumptions for linear regression; namely normality of the data, heteroskedasticity, multicollinearity, and linearity were checked. Violating these assumptions, particularly when the level of violation is high; causes the regression analysis results not to be correct (Kothari & Garg, 2014).

Normality of data is present when the plotted residuals against the predicted values of financial sustainability (Y) display a bell curve distribution function (Ghasemi & Zahediasl, 2012). The normality assumption was tested by plotting a graph of residuals versus the predicted values of financial sustainability (Y). The normality test is key in regression analysis because, if it is not met; the regression analysis results can mislead (Osborne & Waters, 2002). The histogram generated should show a graph which is bell-shaped as an indication that collected data was normally distributed (Maverick, 2018).

Heteroscedasticity is a phenomenon that happens whenever the variance in scores on one variable is similar for all values of the other. The error term remains constant across all independent variables' values (Hair *et al.*, 2011). According to Warner (2012), heteroscedasticity is tested using the Breush-Pagan test. "The null hypothesis for this test is that there is no heteroskedasticity and that the error term is constant". When the p-value is less than 0.05 then the null hypothesis is rejected and a conclusion is made that heteroscedasticity is present" (Warner, 2012). However, if the p value is higher or equal to 0.05, then the researcher fails to reject the null hypothesis which implies that heteroscedasticity is not there.

Multicollinearity refers to strength of the interrelation between the independent variables in a model. The statistical programme (SPSS) was used to compute the variance inflation factors (VIF) for each independent variable. The VIF measures the widening of the variance of a regression coefficient to determine if there is a correlation in the predictors. If there is no correlation amongst factors, the VIF will be 1.0; implying no multicollinearity. In a case where the VIF is higher than 1.0, there is likely to be moderate correlation among the predictors but still below the multicollinearity threshold (Oakshott, 2014). Zikmund *et al.* (2013) indicate that VIF above 5.0 would suggest a multicollinearity problem while VIF scores greater than 10 would invalidate the regression model (Liao & Valliant, 2012). The decision rule for this test in this study was to accept VIF of less than 5.0.

Linearity exists where holding all other factors constant, the dependent variable's expected value is a direct function of each predictor variable (Kothari & Garg, 2014). The researcher used a P-P plot for the linearity test. A scrutiny of the P-P plot would show if most of the values lie or are closer to the line of best fit. Any identified outliers would be investigated to check if they are a result of an entry error or a legitimate observation. The

outliers caused by an error would be removed and legitimate observations retained. For this study, linearity was assumed if a linear relationship was observed in the P-P plot.

### *Hypotheses Testing*

Hypotheses testing is a statistical procedure for accepting or rejecting the hypothesis based on the estimates of a specified model. In this study, multiple regression analysis was used to test the study hypotheses. Based on multiple regression results, the coefficient of determination ( $R^2$ ) indicated the percentage of financial sustainability (Fs) explained by the combined effect of the strategic leadership practices. The coefficients  $\beta_1$ ,  $\beta_2$ ,  $\beta_3$ ,  $\beta_4$ , and  $\beta_5$ , also known as the standardized or path coefficients, were used to indicate the level at which the predictor variable affected financial sustainability.  $\varepsilon$  is a constant that represented other factors not tested by this study that affected financial sustainability.

In order to test if the results were statistically relevant, analysis of variance (ANOVA) was run. The results were deemed statistically significant if the p-value from the ANOVA results was found to be less than the alpha value ( $\alpha$ ). The F statistic obtained in SPSS was used to check if two variables were directly related (Black, 2019). The significance level of 0.05 was used which represents 95% confidence level. This is the level of significance mostly used by researchers in the field of social sciences (Moore *et al.*, 2013). The basis of the p-value obtained was either the significance or alpha level.

The following regression model was used by this study to test the direct effect hypotheses.

$$Fs = \beta_0 + \beta_1Sd + \beta_2Cc + \beta_3Hc + \beta_4Oc + \varepsilon$$

Where:

Fs = the dependent variable

$\beta_0$  = Constant term

$\beta_1, \beta_2, \beta_3, \beta_4,$  and  $\beta_5$  are constant regression (beta) coefficients representing the condition of strategic leadership practices and financial sustainability

Sd = strategic direction

Cc = exploiting and maintaining core competencies

Hc = developing human capital

Oc = establishing balanced organizational controls

$\epsilon$  = Error term explaining the variability of financial sustainability arising from other factors not accounted for.

In order to find out the moderating effect of environmental factors on the relationship between strategic leadership practices and financial sustainability among faith-based organizations affiliated to Wycliffe Global Alliance in Africa, the following steps of multiple linear regression were applied in this research informed by the recommendation by MacKinnon and Fairchild (2009). A composite index was computed for each of the variables used in the model.

Step one: Regress Financial Sustainability on Strategic Leadership. The  $R^2$  value was noted. Note the significance level at ( $p < 0.05$ ).

$$Fs = \beta_0 + \beta_1 SI + \epsilon$$

Step two: Introduce the environmental factors and take note of the new  $R^2$  value. The significance level at  $p$  less than 0.05 was also noted for the interactive term for strategic leadership and environmental factors.

$$Fs = \beta_0 + \beta_1 SI + \beta_2 Ef + \beta_3 SI * Ef$$

Where; Fs = Composite index for Financial Sustainability

$\beta_0$  = Constant

$\beta_1, \beta_2$  and  $\beta_3$  = Beta coefficients

SI = Composite index for Strategic Leadership

Ef = Environmental Factors

SI\*Ef = Interaction of Strategic Leadership and Environmental Factors

According to Becker *et al.* (2018), the regression coefficient,  $\beta_3$  for the interaction term, is the measure that estimates the moderating effect of environmental factors on the relationship between strategic leadership practices and financial sustainability. If  $\beta_3$  is statistically different from zero, then it showed that environmental factors have a significant role in moderating the relationship between strategic leadership practices and financial sustainability of faith-based organizations affiliated to Wycliffe Global Alliance, Africa (Fassott *et al.*, 2016). This test for confirming evidence of a moderating effect was done at 0.05 significance level. The obtained p-value was interpreted in consideration of the level of significance of the interactive term (Creswell, 2011). If the p-value was lower than 0.05, then the researcher rejected the null hypothesis. However, the null hypothesis was not rejected if the p-value was greater than 0.05.

The expected results of the hypotheses before data collection was as shown in table 3.8 below.

Table 3.8: Expected Results of Hypotheses Test

Hypothesis	Statistical Test	Model and Anticipated Results
Ho <sub>1</sub> : Determination of strategic direction has no significant effect on the financial sustainability of faith-based organizations affiliated to Wycliffe Global Alliance in Africa.	Multiple linear regression $F_s = \beta_0 + \beta_1 S_d + \beta_2 C_c + \beta_3 H_c + \beta_4 O_c + \varepsilon$	Note the values of R <sup>2</sup> , β <sub>1</sub> , and F for the regression model. Reject Ho <sub>1</sub> if the p-value is greater than 0.05; otherwise, do not reject Ho <sub>1</sub> when the p-value is less than 0.05.
Ho <sub>2</sub> : Exploiting and maintaining core competencies has no significant effect on the financial sustainability of faith-based organizations affiliated to Wycliffe Global Alliance in Africa.	Multiple linear regression $F_s = \beta_0 + \beta_1 S_d + \beta_2 C_c + \beta_3 H_c + \beta_4 O_c + \varepsilon$	Note the values of R <sup>2</sup> , β <sub>2</sub> , and F for the regression model. Reject Ho <sub>2</sub> when the p-value is greater than 0.05; otherwise, do not reject Ho <sub>2</sub> when the p-value is less than 0.05.
Ho <sub>3</sub> : Developing human capital has no significant effect on the financial sustainability of faith-based organizations affiliated to the Wycliffe Global Alliance in Africa.	Multiple linear regression $F_s = \beta_0 + \beta_1 S_d + \beta_2 C_c + \beta_3 H_c + \beta_4 O_c + \varepsilon$	Note the values of R <sup>2</sup> , β <sub>3</sub> , and F for the regression model. Reject Ho <sub>3</sub> when the p-value is greater than 0.05; otherwise, do not reject Ho <sub>3</sub> when the p-value is less than 0.05.
Ho <sub>4</sub> : Establishing balanced organizational controls has no significant effect on the financial sustainability of faith-based organizations affiliated to the Wycliffe Global Alliance in Africa.	Multiple linear regression $F_s = \beta_0 + \beta_1 S_d + \beta_2 C_c + \beta_3 H_c + \beta_4 O_c + \varepsilon$	Note the values of R <sup>2</sup> , β <sub>4</sub> , and F for the regression model. Reject Ho <sub>4</sub> when the p-value is greater than 0.05; otherwise, do not reject Ho <sub>4</sub> when the p-value is less than 0.05.
Ho <sub>5</sub> : Environmental factors have no significant moderating effect on the relationship between strategic leadership practices and financial sustainability of faith-based organizations affiliated to Wycliffe Global Alliance in Africa.	Step one: $F_s = \beta_0 + \beta_1 S_L + \varepsilon$ Step two: $F_s = \beta_0 + \beta_1 S_L + \beta_2 E_F + \beta_3 S_L * E_F + \varepsilon$	Note the values of R <sup>2</sup> , β, and F change for the first step regression and the second step. Take note of the change between r squared step one, and r squared step two. A significant moderation if β <sub>3</sub> is statistically different from zero. If p was less than 0.05, then Ho <sub>5</sub> was rejected, and if p was greater than 0.05, the research failed to reject Ho <sub>5</sub> .

Source: Author (2021)

## Ethical Considerations

Ethics are norms and behavioural standards that guide moral choices about our behaviour and our relationship with others. The purpose of ethics in research is to make sure no individual suffers or is harmed adversely from the activities of the research (Cooper & Schindlers, 2014). The researcher therefore adhered to ethical principles of beneficence, respect for human dignity and justice at all stages of the research.

To begin with, the researcher ensured proper citations of all sources of literature used in this study. Before the researcher began data collection, a research protocol that explains the full details of the research was presented to the Pan Africa Christian University ethics committee for review and approval. The researcher then submitted an application to NACOSTI for a research permit. After getting authorization from Wycliffe Global Alliance in Africa, the research assistant began contacting participants and initiating the data collection process.

Neuman (2014) indicates that social researchers ought to balance between the search of knowledge and the rights of those participating in the research. In the light of the above, the participants were guaranteed voluntary consent, privacy, anonymity, and confidentiality (Punch, 2013). The researcher observed the voluntary consent principle by providing the opportunity for the respondents to willingly participate in the research. Each participant was well informed about the study through the researcher's introduction letter. Those who were willing to participate in the research opened the online questionnaire link shared by the research assistant, read the informed consent and gave their consent before filling the questionnaire. Those who were not willing to participate and chose "no" to informed consent navigated away from the questionnaire. Privacy was attained by the nature of the questions, which were generally non-intrusive, and were administered online without physical contact with respondents. Anonymity was attained by using a research

assistant in the collection of data which assured that participants' identity was not disclosed in gathered information. The information received was also kept away from public disclosure and they were not be shared with others (Zikmund *et al.*, 2013).

After data collection and analysis, data was kept on an encrypted hard drive with a password and without internet access in a locked cabinet. The researcher maintained the collected data in the hard drive for three years, and thereafter erased and physically destroyed. The google drive folder where the google form was stored was kept safe by the research assistant with password encryption for at least three years. In order to protect the consumers of the research from any adverse research consequences, the researcher ensured integrity of collected data by checking the reliability and validity of the instrument before actual collection of data. All returned questionnaires were checked to ensure that there were no errors before data analysis. This assured that the collected data was not misrepresented and that results of the analysis were accurate.

In conducting this research, the researcher acknowledged possible conflict of interest arising from the fact that the researcher works for Wycliffe Global Alliance where the research was being conducted. Although this conflict is considered marginal because of the added advantage of binding theory to practical experience, the researcher engaged a research assistant during data collection to mitigate potential conflict of interest. The research assistant received the voluntary consent form, the questionnaire and email contacts of respondents from the researcher. The research assistant then wrote to each respondent to share the link for the online questionnaire. After receiving the desirable number of filled questionnaires, they were sent to the researcher for data analysis.

#### Chapter Summary

Research methodology for this study was discussed in this chapter; which included the research design, area of study, the population, sampling procedures, data collection

instruments, data collection and data analysis procedures, and the research ethics considered in this study. Also discussed are the justifications for the choices made. Chapter four discusses data analysis, research findings, and interpretations.

CHAPTER FOUR  
RESULTS AND DISCUSSION

Introduction

This chapter presents results, interpretation and discussion of study findings. Specifically, the chapter is ordered as follows; response rate statistics and reliability and validity analysis, respondent demographics information, descriptive statistics, diagnostic tests, correlation analysis, regression analysis and hypothesis testing. The analysis results in the form of frequency and percentage tables, and graphs used in this research were obtained using SPSS version 27.

Response Rate

After the confirmation of the research instruments' validity and reliability, the researcher started the process of collecting data. Data for this study was obtained from directors, heads of departments and heads of units in organizations affiliated to Wycliffe Global Alliance in Africa. This study had a target to collect primary data from 198 respondents. From all the questionnaires distributed, 150 questionnaires were completed and submitted through google forms as presented in the table below.

*Table 4.1: Response Rate*

Target Respondents	Responded	Response Rate
198	150	75.8%

Source: Research Data (2021)

Response rate, “is the rate of completed questionnaires with reported units divided by the number of qualified reporting units of the sample size” (American Association for Public Opinion and Research, 2015, p. 5). With a total of 150 questionnaires duly filled and returned, it represents a rate of response of 75.8%. This response rate is higher than 66% response rate of a similar study done by Doll (2012) that covered organizations affiliated

to Wycliffe Global Alliance in United States, Canada, Ghana, Bangladesh, India, Guatemala, Switzerland, and Netherlands.

According to Babbie (2010), a response rate of 60% is adequate. Any rate of response over 70% is good enough. A high response rate is desirable in any given research since it yields results that can better be inferred to the whole target population being studied (Awino, 2011). Babbie (2010) noted that when there is a larger response rate then the non-response error will be smaller. The rate of response for this research was therefore determined as adequate to permit the next step of analysing the data. The higher response rate was linked to adequate time for the questionnaires to be filled and returned, clarity of data collection procedures, the administration of the questionnaire through the online platform, and the availability of the researcher to answer questions from respondents (Saleh & Bista, 2017).

### Reliability and Validity of the Research Instrument

#### *Reliability of the Research Instrument*

The researcher did a reliability test based on actual study data. The table below indicates the results of the reliability test for the study.

*Table 4.2: Reliability Statistics for Actual Study*

	No. of Items	Actual Study Cronbach Alpha
Determining Strategic Direction	9	0.851
Exploiting and Maintaining Core Competencies	6	0.789
Developing Human Capital	9	0.886
Maintaining Balanced Organizational Controls	11	0.905
Environmental Factors	10	0.924
Financial Sustainability	22	0.889
Overall Cronbach's Alpha		0.789

Source: Research Data (2021)

From the above table, the reliability test done for the actual study generated a Cronbach alpha correlation coefficient of 0.851 for strategic direction, 0.789 for exploiting and maintaining core competencies, 0.886 for developing human capital, 0.905 for

organizational controls, 0.924 for environmental factors and 0.889 for financial sustainability. The overall Cronbach alpha for the instrument was 0.789. These results confirmed the pre-test results which indicated a strong internal consistency of the study instrument (Tashakkori & Teddlie, 2009). The researcher noticed a small increase of Cronbach's alpha coefficient values in the actual study compared to pre-test results. This increase was linked to the improvement on the clarity of research instrument questions and the higher number of respondents in the actual study (Serbetar & Sedlar, 2016).

#### *Validity of the Research Instrument*

Construct validity based on data collected for the actual study was checked through the use of Bartlett's Test of Sphericity and KMO measures.

*Table 4.3: KMO Measures and Bartlett's Test for Actual Study*

Strategic Direction	KMO Measure of Sampling Adequacy	0.861
	Bartlett's Test of Sphericity	1380.586 231 .000
Core Competencies	KMO Measure of Sampling Adequacy	0.820
	Bartlett's Test of Sphericity	1380.586 231 .000
Human Capital	KMO Measure of Sampling Adequacy	0.881
	Bartlett's Test of Sphericity	1380.586 231 .000
Organizational Controls	KMO Measure of Sampling Adequacy	0.920
	Bartlett's Test of Sphericity	1380.586 231 .000
Environmental Factors	KMO Measure of Sampling Adequacy	0.902
	Bartlett's Test of Sphericity	1380.586 231 .000
Financial Sustainability	KMO Measure of Sampling Adequacy	0.877
	Bartlett's Test of Sphericity	1380.586 231 .000

Source: Research Data (2021)

The KMO Measure of Sampling Adequacy value for strategic direction, exploiting and maintaining core competencies, developing human capital, organizational controls, environmental factors and financial sustainability were 0.5 and above is considered very good (Pallant, 2020). The Bartlett’s Test of Sphericity results p-value for all the variables were lower than 0.05 which is the acceptable significance level. The test results therefore indicated validity and suitability of the items to be subjected for further data analysis (Ng’ang’a, 2018).

#### Demographic Characteristics of Respondents

The study obtained demographic information about the respondents’ gender, number of years served in the current organization, and their level of education. It was imperative to obtain this information in order to inform the researcher of any likely implications these characteristics would have on the responses and research findings (El Refae *et al.*, 2021).

#### *Gender Distribution of Respondents*

Gender was an important demographic factor that was investigated by the researcher (Bührer *et al.*, 2020). This was to make sure that the researcher captured any likely implications gender had on the responses received. The respondents were expected to specify their gender from the two choices of female and male. The results of the responses are as shown in table 4.4 below.

*Table 4.4: Distribution by Gender*

	Frequency	Percent
Male	115	76.7
Female	35	23.3
Total	150	100.0

Source: Research Data (2021)

The results presented in the above table revealed that a greater proportion of the respondents were male as indicated by 76.7% (115) of the respondents, while 23.3% (35)

of the respondents were female. The findings reveal that leadership in organizations that are affiliated to Wycliffe Global Alliance in Africa was mainly made up of male staff in comparison with female staff. There is therefore a gender disparity among leaders of organizations that are affiliated to Wycliffe Global Alliance in Africa. Most faith-based organizations in Africa have been known to favour the leadership of men in comparison to women (Tadros, 2010; United Nations Environment Programme, 2018). This was also observed by Grandy (2013) in her exploratory study of strategic leadership in churches who described religious organizations as predominantly masculine.

#### *Experience Distribution of Respondents*

The number of years worked is believed to be a measure of experience in strategic leadership practices (Graham *et al.*, 2020). This also revealed their knowledge of the level at which strategic leadership practices were being practiced in the organizations they worked for. The respondents were asked to specify the duration they served in their current organization from the following options: Below 1 year, 1-3 years, 3-5 years, 5-10 years and over 10 years. Table 4.5 below shows the results.

*Table 4.5: Number of Years Served in the Current Organization*

	Frequency	Percent
Below 1 year	8	5.3
1-3 years	14	9.3
3-5 years	13	8.7
5-10 years	37	24.7
Over 10 years	78	52.0
Total	150	100.0

Source: Research Data (2021)

From the table above, the results show that a greater proportion of the respondents had worked for over 10 years at 52.0% while 24.7% had worked in their current organization between 5 and 10 years, 8.7% had served in their current organization for between 3 and 5 years, while 9.3 % have worked between one and three years with the least

proportion of 5.3% having worked for less than one year. With 76.7% having worked for five years and above, it indicated that most of those serving as top-level leaders are those who had served in the organization longer. Furthermore, with most respondents having served for more than five years, the leaders who responded had sufficient knowledge about their organizations and therefore the information they provided was reliable.

*Educational Level of Respondents*

The level of education of top-level leaders who responded was important to the researcher because scholars have pointed at the possibility of a correlation between effective strategic leadership and the level of education (Clipa & Honciuc, 2020). Generally, education is considered to be a determinant of the ability to learn and apply what is learned (Green *et al.*, 2011). It was therefore assumed that higher levels of education make a significant contribution towards a leader’s ability to apply their knowledge in strategic leadership (Green *et al.*, 2011). The respondents were required to specify their educational level. The following were the options they could choose from: Doctorate, Masters, Bachelors Degree, Diploma and Certificate. The results are shown in the table below.

*Table 4.6: Level of Education*

	Frequency	Percent
Certificate	2	1.3
Diploma	8	5.3
Bachelors	36	24.0
Masters	88	58.7
Doctoral	16	10.7
Total	150	100.0

Source: Research Data (2021)

The study found out that regarding respondent’s level of education; 58.7% had attained a Master’s level, 24.0% had a Bachelor’s degree, 10.7% had a Doctoral degree, 5.3% had a Diploma and 1.3% had a Certificate. A greater proportion of the respondents

had at least a Bachelor's degree and above which represents 93.4% of the respondents. These findings therefore show that top-level leaders in faith-based organizations affiliated to Wycliffe Global Alliance had attained the basic education necessary to understand the questions and thus provided credible information. The high education level of respondents as noted in this study agree with the study done by King and McGrath (2002) which revealed that educational level was a key factor considered by organizations when appointing leaders in the current environment which is constantly fluctuating.

### Descriptive Analysis

This part covers the results of descriptive analysis on the study variables namely; strategic direction, core competencies, human capital, balanced organizational controls, environmental factors and financial sustainability. The, “descriptive statistics give a summary of the characteristics of the study variables” (Kaliyadan & Kulkarni, 2019).

The respondents were asked to give a response to statements on each of the variables with an indication on whether they strongly disagreed, disagreed, were neutral or undecided, agreed or strongly agreed. The measures of central tendency (mean) and the measure of dispersion (standard deviation) were the descriptive statistics applied in this research to summarize the characteristics of the study variables based on respondent feedback received from the 5-point Likert scale research instrument (Sekaran & Bougie, 2016). The descriptive statistics results for each study variable is presented in separate tables below followed by discussions.

### *Strategic Direction*

The respondents were expected to choose whether they strongly disagreed (SD), disagreed (D), were undecided or neutral (N), agreed (A) or strongly agreed (SA) that strategic direction was being exercised in their organizations. The response results are summarized in the table 4.7.

*Table 4.7: Descriptive Analysis for Determining Strategic Direction*

The level at which determining strategic direction is practiced in the organization through:	SD	D	N	A	SA	Mean	SD
	Freq.	Freq.	Freq.	Freq.	Freq.		
	%	%	%	%	%		
Vision and mission clearly defined in strategic documents	2	0	2	30	116	4.72	0.625
	1.3%	0.0%	1.3%	20.0%	77.3%		
Periodical review of vision and mission statements when necessary	3	7	15	58	67	4.19	0.939
	2.0%	4.7%	10.0%	38.7%	44.7%		
Clear and well-known vision and mission	3	4	11	80	52	4.16	0.828
	2.0%	2.7%	7.3%	53.3%	34.7%		
Vision and mission that inform the organization's focus and priorities	0	1	3	46	100	4.63	0.561
	0.0%	0.7%	2.0%	30.7%	66.7%		
Formal and a robust process followed in establishing strategic direction	1	3	14	69	63	4.27	0.766
	0.7%	2.0%	9.3%	46.0%	42.0%		
Strategies consistent and supportive of organizational mission and vision	1	2	6	55	86	4.49	0.702
	0.7%	1.3%	4.0%	36.7%	57.3%		
Program objectives and activities that are in line with mission statement	0	0	5	44	101	4.64	0.547
	0.0%	0.0%	3.3%	29.3%	67.3%		
Approved plans and budgets supportive and consistent with mission	0	2	11	69	68	4.35	0.677
	0.0%	1.3%	7.3%	46.0%	45.3%		
Decisions and actions show those involved understand the mission	0	3	10	82	55	4.26	0.670
	0.0%	2.0%	6.7%	54.7%	36.7%		
<u>Aggregate: Mean/Standard deviation</u>						4.41	0.675

Source: Research Data (2021)

The above results show a mean average response of 4.41 for strategic direction. This signified that a greater proportion of the respondents agreed that strategic direction was being practiced among organizations affiliated to Wycliffe Global Alliance in Africa. This is a similar finding to the one of a study by Jonyo (2018) who found out that majority of the respondents agreed that defining strategic direction was being practiced in private universities in Kenya. Kitonga (2017) also established that respondents agreed that determining strategic direction was being practiced by non-profit organizations in Nairobi County.

The highest mean was recorded in the statements, “My organization’s vision and mission are clearly defined in strategic documents” with a mean of 4.72 and, “My organization’s program objectives and activities are in line with the organization’s mission

statement” with a mean of 4.64. The lowest mean was recorded in the statements; “The vision and mission of my organization are clear and well known by all the staff” with a mean of 4.16, “My organization periodically reviews its vision and mission statements and revises it whenever it is necessary” with a mean of 4.19 and, “The decisions and actions in the organization show that those involved understand the organization’s mission” with a mean of 4.26.

The strategic direction elements that were lowly rated were; having a clear and well-known vision and mission, doing periodic reviews of vision and mission statements, and ensuring those involved in decision-making understand the organization’s mission. The standard deviations ranged between 0.547 and 0.939 implying that there was no much variation of responses from the mean value obtained. An aggregate standard deviation of 0.675 implied a low variation in the responses of top-level leaders on the practice of strategic direction (Lee *et al.*, 2015).

#### *Exploiting and Maintaining Core Competencies*

The respondents were asked to choose whether they strongly disagreed (SD), disagreed (D), were undecided or neutral (N), agreed (A) or strongly agreed (SA) that exploiting and maintaining core competencies was being exercised in their organizations. The results of the responses are summarized in table 4.8.

*Table 4.8: Descriptive Analysis for Exploiting and Maintaining Core Competencies*

The level at which exploiting and maintaining core competencies are practiced in the organization through:	SD Freq. %	D Freq. %	N Freq. %	A Freq. %	SA Freq. %	Mean	SD
Good financial position and ability to meet defined goals	11 7.3%	26 17.3%	31 20.7%	61 40.7%	21 14.0%	3.37	1.144
Up to date equipment and assets that enhance the delivery of services	3 2.0%	20 13.3%	19 12.7%	84 56.0%	24 16.0%	3.71	0.959
Staff with adequate training to be able to deliver results effectively	3 2.0%	13 8.7%	10 6.7%	85 56.7%	39 26.0%	3.96	0.926
Staff who are supported to improve their performance	2 1.3%	3 2.0%	11 7.3%	93 62.0%	41 27.3%	4.12	0.732
Opportunities for staff to develop skills, knowledge, and competencies	3 2.0%	4 2.7%	15 10.0%	89 59.3%	39 26.0%	4.05	0.805
Partnership with other organizations for better services	2 1.3%	2 1.3%	15 10.0%	75 50.0%	56 37.3%	4.21	0.780
<b>Aggregate: Mean/Standard deviation</b>						<b>3.90</b>	<b>0.901</b>

Source: Research Data (2021)

The results in table 4.8 above show an average response of 3.90 for exploiting and maintaining core competencies. This shows that a moderately high level of this variable being practiced among organizations affiliated to Wycliffe Global Alliance in Africa. These results are similar to the findings of a previous study by Al-Nashmi and Heba (2020) who found out that the respondents agreed that exploiting and maintaining core competencies were being practiced by private universities in Yemen. Jerab *et al.* (2011) also established that exploiting and maintaining core competencies was moderately practiced in Istanbul tourist companies.

The highest mean was recorded in the statements, “My organization partners with other organizations in order to come up with better services” with a mean of 4.21 and, “The staff are often supported to improve their performance with a mean of 4.12. The lowest mean was recorded in the statements; “My organization is in a good financial position to be able to meet defined goals” with a mean of 3.37, “My organization has up to date equipment and assets that enhance the delivery of services” with a mean of 3.71 and, “The

staff in my organization have adequate training to be able to deliver results effectively on their assigned responsibilities” with a mean of 3.96.

The core competencies that were rated low included; building the organization’s financial position to be able to meet defined goals, having up to date equipment and assets that enhance the delivery of services and ensuring that staff in the organization have adequate training to be able to deliver results effectively on their assigned responsibilities. These pointed to the elements the organizations can focus on towards strengthening core competencies. The standard deviations for exploiting and maintaining core competencies ranged between 0.732 and 1.144 implying that there was no much variation from the mean values obtained (Lee *et al.*, 2015). An aggregate standard deviation value of 0.901 implied a low variation in responses provided by top-level leaders concerning the level at which core competencies were practices in faith-based organizations affiliated to Wycliffe Global Alliance in Africa.

#### *Developing Human Capital*

The respondents were asked to choose whether they strongly disagreed (SD), disagreed (D), were undecided or neutral (N), agreed (A) or strongly agreed (SA) that developing human capital was being exercised in their organizations. The results of the responses are presented in table 4.9.

Table 4.9: Descriptive Analysis for Developing Human Capital

The level at which development of human capital is practiced in the organization through:	SD Freq. %	D Freq. %	N Freq. %	A Freq. %	SA Freq. %	Mean	SD
Careful evaluation of staffing needs in order to operate at desired capacity	4 2.7%	6 4.0%	20 13.3%	80 53.3%	40 26.7%	3.97	0.897
Recruitment guided by the required skills, knowledge and competence	1 0.7%	7 4.7%	14 9.3%	66 44.0%	62 41.3%	4.21	0.846
Clear career development plans for each staff member	10 6.7%	18 12.0%	54 36.0%	58 38.7%	10 6.7%	3.27	0.988
Continuous training on the job	2 1.3%	12 8.0%	23 15.3%	79 52.7%	34 22.7%	3.87	0.900
Staff benefiting from training and development programs	2 1.3%	2 1.3%	13 8.7%	85 56.7%	48 32.0%	4.17	0.746
Investment in staff to expand knowledge and enhance performance	4 2.7%	4 2.7%	20 13.3%	82 54.7%	40 26.7%	4.00	0.867
Processes to help staff continuously learn from failure and success	4 2.7%	13 8.7%	44 29.3%	69 46.0%	20 13.3%	3.59	0.921
Rewards to staff with outstanding performance	10 6.7%	18 12.0%	65 43.3%	48 32.0%	9 6.0%	3.19	0.958
Innovation and creativity encouraged	4 2.7%	4 2.7%	34 22.7%	70 46.7%	38 25.3%	3.89	0.906
Aggregate: Mean/Standard deviation						3.79	0.894

Source: Research Data (2021)

The results in table 4.9 above show a mean average response of 3.79 for developing human capital. This shows a moderately high mean score on development of human capital being practiced among organizations affiliated to Wycliffe Global Alliance in Africa. These findings agree with those of a previous study by Chogozie and Emmanuel (2018) who found out that majority of the respondents agreed that the development of human capital was being practiced by manufacturing industries in South East Nigeria. Kiswili *et al.* (2019) also established that development of human capital was being exercised by deposit taking SACCOs in Kenya.

The highest mean was recorded in the statements, “Recruitment of new staff is guided by the required skills, knowledge and competence required for each role” with a mean of 4.21 and, “The staff benefit from training and development programs that

contribute positively to the organization's goals" with a mean of 4.17. The lowest mean was recorded in the statements, "The organization rewards the staff with outstanding performance" with a mean of 3.19. "The organization has clear career development plans for each staff member" with a mean of 3.27 and, "The organization has processes designed to help staff continuously learn from failure and success" with a mean of 3.59.

The lowly rated elements of human capital development were; rewarding the staff with outstanding performance, having clear career development plans for each staff member and putting in place processes designed to help staff continuously learn from failure and success. The standard deviations for developing human capital ranged between 0.746 and 0.988 implying there was not much variation from the mean values obtained (Lee *et al.*, 2015). The aggregate standard deviation value of 0.894 indicated a low variation in responses provided by top-level leaders concerning the level at which the development of human capital were practices in faith-based organizations affiliated to Wycliffe Global Alliance in Africa.

#### *Establishing Balanced Organizational Controls*

The respondents were asked to choose whether they strongly disagreed (SD), disagreed (D), were undecided or neutral (N), agreed (A) or strongly agreed (SA) that balanced organizational controls was being exercised in the organization they currently served. The results of the responses are summarized in the table 4.10.

*Table 4.10: Descriptive Analysis for Establishing Balanced Organizational Controls*

The level at which balanced organizational controls are practiced in the organization through:	SD	D	N	A	SA	Mean	SD
	Freq.	Freq.	Freq.	Freq.	Freq.		
	%	%	%	%	%		
Formulation of assumptions based on the internal and external environment	1	4	36	75	34	3.91	0.794
	0.7%	2.7%	24.0%	50.0%	22.7%		
Operational plans and the activities informed by strategic plan	0	1	21	76	52	4.19	0.692
	0%	0.7%	14.0%	50.7%	34.7%		
Ability to identify strategic risks and their potential impact early	2	10	38	77	23	3.73	0.851
	1.3%	6.7%	25.3%	51.3%	15.3%		
Continuous and systematic monitoring of environment	2	8	40	83	17	3.70	0.792
	1.3%	5.3%	26.7%	55.3%	11.3%		
Conducting milestone reviews to check progress on plans	1	3	27	75	44	4.05	0.784
	0.7%	2.0%	18.0%	50.0%	29.3%		
Performance and its components measured in the organization	2	8	24	90	26	3.87	0.808
	1.3%	5.3%	16.0%	60.0%	17.3%		
Performance results used for rewards and corrective action	5	12	42	78	13	3.55	0.887
	3.3%	8.0%	28.0%	52.0%	8.7%		
Anticipating changes in events and trends that are likely to affect goals	3	4	40	76	27	3.80	0.835
	2.0%	2.7%	26.7%	50.7%	18.0%		
Developing a set of actions to manage possible issues and risks	1	4	32	87	26	3.89	0.738
	0.7%	2.7%	21.3%	58.0%	17.3%		
Identifying events that may lead to a crisis by monitoring its environment	3	3	29	88	27	3.89	0.790
	2.0%	2.0%	19.3%	58.7%	18.0%		
Team that develops needed plans, actions, tools, and techniques	5	13	38	63	31	3.68	1.005
	3.3%	8.7%	25.3%	42.0%	20.7%		
<b>Aggregate: Mean/Standard deviation</b>						<b>3.84</b>	<b>0.819</b>

Source: Research Data (2021)

The results in table 4.10 above shows a mean average response of 3.85 for establishing balanced organizational controls. This shows a moderately high level in establishing balanced organizational controls being practiced among organizations affiliated to Wycliffe Global Alliance in Africa. These results are similar to the findings of a previous study by Kwamensa (2016) who found out that the respondents agreed that balanced organizational controls was being practiced by construction companies in Kenya. Ogechi (2016) also found out that respondents agreed on average that balanced organizational controls were practiced by small and medium enterprises in Kenya.

The highest means were recorded in the statements, “The operational plans and the activities are informed by the organizations strategic plan which is reviewed regularly” with a mean of 4.19 and, “My organization conducts milestone reviews to check progress made on organizational plans” with a mean of 4.05. The lowest mean was recorded in the statements: “Performance results are used for rewards and corrective action” with a mean of 3.55. “There is a team in the organization that develops needed plans, actions, tools, and techniques in order to respond to crises and evaluate organizational direction” with a mean of 3.68 and, “My organization continuously and systematically monitors the organization environment to ensure assumptions made are valid” with a mean of 3.70.

Establishing balanced organizational controls elements that were rated low were; Using performance results for rewards and corrective action, putting in place a team in the organization that develops needed plans, techniques, tools, and actions in order to provide responses to crises and assess organizational direction and continuously and systematically monitor the organization environment to ensure assumptions made are valid. The standard deviations for establishing balanced organizational controls ranged between 0.692 and 1.005 implying that there was no much variation in responses from the mean values obtained (Lee *et al.*, 2015). An aggregate standard deviation value of 0.819 implied low variation in the responses of the top-level leaders about the practice of balanced organizational controls in faith-based organizations affiliated to Wycliffe Global Alliance in Africa.

#### *Environmental Factors*

The respondents were asked to choose whether they strongly disagreed (SD), disagreed (D), were undecided or neutral (N), agreed (A) or strongly agreed (SA) that environmental factors have a moderating effect on the relationship between strategic

leadership practices and financial sustainability in their organizations. The results of the responses are presented in the table 4.11 below.

*Table 4.11: Descriptive Analysis for Environmental Factors*

Influence of environmental factors on financial sustainability	SD Freq. %	D Freq. %	N Freq. %	A Freq. %	SA Freq. %	Mean	SD
<b>Political-legal Factors:</b>							
The political situation in my country	5 3.3%	20 13.3%	27 18.0%	39 26.0%	59 39.3%	3.85	1.180
Nature of the democratic space in my country	5 3.3%	27 18.0%	36 24.0%	43 28.7%	39 26.0%	3.56	1.156
Government laws and regulations	6 4.0%	37 24.7%	22 14.7%	52 34.7%	33 22.0%	3.46	1.196
The government foreign policies	10 6.7%	26 17.3%	35 23.3%	46 30.7%	33 22.0%	3.44	1.201
<b>Sub-variable aggregate: Mean/Standard deviation</b>						3.58	1.183
<b>Economic Factors:</b>							
Economic growth rate, inflation rate, fluctuation in exchange rates	3 2.0%	9 6.0%	21 14.0%	66 44.0%	51 34.0%	4.02	0.952
Unemployment levels, disposable income, and income distribution	5 3.3%	17 11.3%	30 20.0%	60 40.0%	38 25.3%	3.73	1.067
<b>Sub-variable aggregate: Mean/Standard deviation</b>						3.88	1.009
<b>Socio-cultural Factors:</b>							
The values, religious beliefs, diverse demographics of society	7 4.7%	28 18.7%	32 21.3%	57 38.0%	26 17.3%	3.45	1.121
Levels of education, the language of the society served	15 10.0%	39 26.0%	37 24.7%	40 26.7%	19 12.7%	3.06	1.200
<b>Sub-variable aggregate: Mean/Standard deviation</b>						3.26	1.160
<b>Technological Factors:</b>							
New inventions, changes in IT and mobile technology	9 6.0%	35 23.3%	31 20.7%	49 32.7%	26 17.3%	3.32	1.183
Internet technology and e-commerce innovations	7 4.7%	31 20.7%	32 21.3%	52 34.7%	28 18.7%	3.42	1.149
<b>Sub-variable aggregate: Mean/Standard deviation</b>						3.37	1.166
<b>Aggregate: Mean/Standard deviation</b>						3.53	1.142

Source: Research Data (2021)

The results in the table above show a mean average response of 3.53 for the influence of environmental factors on financial sustainability. This indicates that a greater proportion of the respondents agreed that environmental factors affected the financial sustainability of organizations affiliated to Wycliffe Global Alliance in Africa. These findings agreed with previous results of the research done by Kipchumba (2018) who

established that a greater proportion of those who participated in the study agreed that environmental factors had an influence on state corporation performance. Maina (2017) in a study on, “The effect of environmental factors on performance, a case of Barclays Bank” (p. 1) also established that a greater proportion of respondents agreed that environmental factors such as legal, political, economic, sociocultural factors had an influence on the bank’s performance. On a study titled, “The impact of external business environment factors on performance of small and medium-sized enterprises in the pharmaceutical industry in Kumasi Metropolis” (p. 1), Akrofi (2017) also found out that majority of the respondents agreed that macro environmental factors (economic, technological, political, legal) influenced the performance of small and medium-sized enterprises.

The highest mean was recorded in the statements, “Economic growth rate, inflation rate, fluctuation in exchange rates affect the financial sustainability of my organization” with a mean of 4.02. “The political situation in my country affects the financial sustainability of my organization” with a mean of 3.85 and, “Unemployment levels, the level of disposable income, and income distribution among the people served by my organization affect the financial sustainability of my organization” with a mean of 3.73. The lowest mean was recorded in the statements, “Levels of education, the language of the society served by my organization affect the financial sustainability of my organization” with a mean of 3.06 and, “The rate of new inventions, changes in information technology and mobile technology affect the financial sustainability of my organization” with a mean of 3.32.

The economic factors were rated as highest influencers with an aggregate mean of 3.88 while sociocultural factors had the lowest influence with an aggregate mean of 3.26. The elements of environmental factors that were rated as high influencers were; economic growth rate, inflation rate, fluctuation in exchange rates, the political situation in the

country, unemployment levels, levels of disposable income, and income distribution among the people served by the organization. The standard deviations for environmental factors ranged between 0.952 and 1.201 implying that there was moderate variation from the mean values obtained (Lee *et al.*, 2015). The aggregate standard deviation value of 1.142 indicated some variation in the responses of the top-level leaders on whether environmental factors influenced financial sustainability in faith-based organizations affiliated to Wycliffe Global Alliance in Africa. This variation could be attributed to the different locations that faith-based organizations affiliated to Wycliffe Global Alliance were operating from (Redmond *et al.*, 2011).

### *Financial Sustainability*

The respondents were asked to rate the level of financial sustainability in their organizations by choosing either strongly disagree (SD), disagree (D), undecided or neutral (N), agreed (A) or strongly agreed (SA) to various measures of financial sustainability in a non-profit organization. The results of the responses are presented in the table 4.12 below.

*Table 4.12: Descriptive Analysis for Financial Sustainability*

The financial sustainability level of the organization through:	SD Freq. %	D Freq. %	N Freq. %	A Freq. %	SA Freq. %	Mean	SD
<i>Income Diversification:</i>							
Mobilizes funds from different sources	2 1.3%	1 0.7%	9 6.0%	65 43.3%	73 48.7%	4.37	0.747
Funding is at least obtained from five different sources	2 1.3%	17 11.3%	43 28.7%	47 31.3%	41 27.3%	3.72	1.031
Procedures and mechanisms followed to access resources	0 0.0%	0 0.0%	6 4.0%	49 32.7%	95 63.3%	4.59	0.569
There is a plan for fundraising and development	3 2.0%	5 3.3%	12 8.0%	60 40.0%	70 46.7%	4.26	0.893
Mobilize income from sources that are within the values of the organization	4 2.7%	7 4.7%	13 8.7%	59 39.3%	67 44.7%	4.19	0.965
Able to attract funding by use of good funding proposals	2 1.3%	2 1.3%	16 10.7%	62 41.3%	68 45.3%	4.28	0.812
Sub-variable aggregate: Mean/Standard deviation						4.23	0.849

<b>Donor Relationship Management:</b>							
Receives subsidies from the government and donors	17	31	53	40	9	2.95	1.083
	11.3%	20.7%	35.3%	26.7%	6.0%		
Maintains regular, meaningful communications with its donors	0	1	0	52	97	4.63	0.523
	0.0%	0.7%	0.0%	34.7%	64.7%		
Actively implements vision building activities	0	5	12	66	67	4.30	0.758
	0.0%	3.3%	8.0%	44.0%	44.7%		
Accounts for the funding it receives through regular expenditure reports	1	0	4	35	110	4.69	0.592
	0.7%	0.0%	2.7%	23.3%	73.3%		
Complies with donor guidelines in donor sponsored activities	1	0	5	43	101	4.62	0.620
	0.7%	0.0%	3.3%	28.7%	67.3%		
Stronger relationship with its donors	0	2	9	55	84	4.47	0.673
	0.0%	1.3%	6.0%	36.7%	56.0%		
Ensures accurate and timely accounting of funding from donors	0	0	4	48	98	4.63	0.538
	0.0%	0.0%	2.7%	32.0%	65.3%		
Established constructive alliances and networks with donors	1	0	19	64	66	4.29	0.738
	0.7%	0.0%	12.7%	42.7%	44.0%		
<b>Sub-variable aggregate: Mean/Standard deviation</b>						<b>4.32</b>	<b>0.710</b>
<b>Financial Management Systems:</b>							
Regularly does financial plans and budget reviews	0	5	7	56	82	4.43	0.737
	0.0%	3.3%	4.7%	37.3%	54.7%		
Financial reporting structures that ensure good accountability	0	1	8	61	80	4.47	0.631
	0.0%	0.7%	5.3%	40.7%	53.3%		
Financial reporting is efficient and effective	1	2	13	56	78	4.39	0.758
	0.7%	1.3%	8.7%	37.3%	52.0%		
Operations are done according to budgetary allocations	0	0	12	60	78	4.44	0.640
	0.0%	0.0%	8.0%	40.0%	52.0%		
Maintains an updated assets list	0	1	25	61	63	4.24	0.748
	0.0%	0.7%	16.7%	40.7%	42.0%		
Controls financial expenditure through operational policies	0	0	7	63	80	4.49	0.588
	0.0%	0.0%	4.7%	42.0%	53.3%		
Competent board which give oversight for all financial dealings	1	3	13	49	84	4.41	0.787
	0.7%	2.0%	8.7%	32.7%	56.0%		
Audited every year by a qualified external auditor	0	5	16	31	98	4.48	0.817
	0.0%	3.3%	10.7%	20.7%	65.3%		
<b>Sub-variable aggregate: Mean/Standard deviation</b>						<b>4.42</b>	<b>0.717</b>
<b>Aggregate: Mean/Standard deviation</b>						<b>4.33</b>	<b>0.753</b>
Source: Research Data (2021)							

The above results show a mean average response of 4.33 for financial sustainability. Based on the mean score of 4.33 and a standard deviation of 0.67. This meant the ratings ranged between 3.66 and 5.00. This reveals that some faith-based organizations affiliated

to Wycliffe Global Alliance in Africa are financially sustainable while others are moderately financially sustainable. The findings by Mawudor (2016) indicated that many church related organizations in Africa experienced a low financial sustainability. This was also in line with the results of previous research in the area of financial sustainability in non-profit organizations (Lewis, 2011).

The highest mean was recorded in the statement, “My organization accounts for the funding it receives by providing regular reports on its expenditure” with a mean of 4.69 and, “My organization complies with donor guidelines in donor sponsored activities” with a mean of 4.62. The lowest mean was recorded in the following statements: “My organization receives subsidies from the government and donors” with a mean of 2.95. “My organizations funding is at least obtained from five different sources” with a mean of 3.72. “My organizations funding is at least obtained from five different sources” with a mean of 3.72. “My organization only mobilize income from sources that are within the values of the organization” with a mean of 4.19. “There is a plan for fundraising and development in my organization” with a mean of 4.26 and, “My organization is able to attract funding by use of good funding proposals” with a mean of 4.28.

Some of the key indicators of low financial sustainability which were rated lower included; lower level of subsidies from the government and donors, organizational funding obtained from less than five different sources, organizations failing to mobilize income only from sources that are within their values, lack of planning for fundraising and development and organizations unable to attract funding by use of good funding proposals (Bowman, 2011a; Ebenezer *et al.*, 2020; Mawudor, 2016; Mitlin *et al.*, 2007). The standard deviations for financial sustainability ranged between 0.523 and 1.083 implying that there was a low variation from the mean values obtained (Lee *et al.*, 2015). An aggregate standard deviation value of 0.753 implied low variation in the responses of the top-level leaders

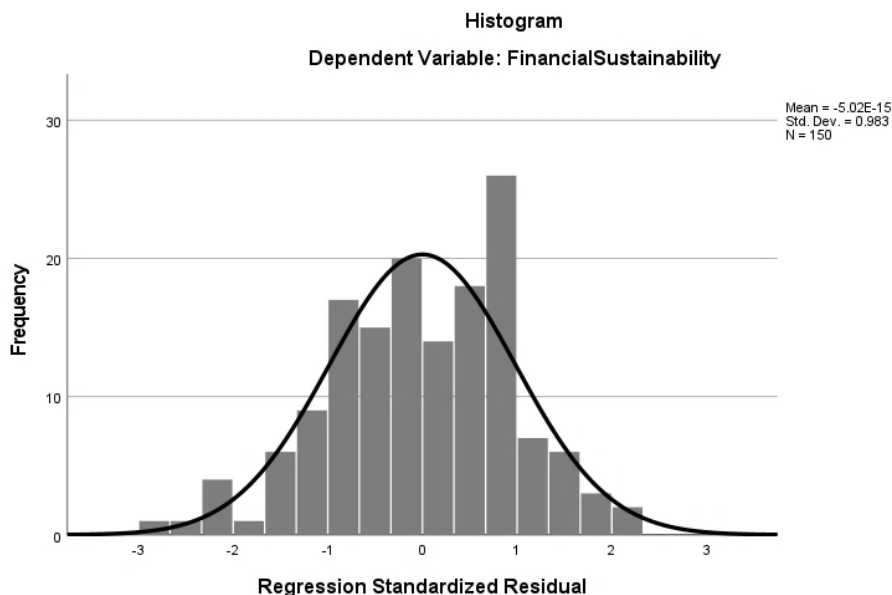
about the level of financial sustainability in faith-based organizations affiliated to Wycliffe Global Alliance in Africa.

### Diagnostic Tests

Before inferential statistics were worked out, it was necessary to undertake some diagnostic tests on collected data in order to ascertain that the linear regression assumptions were true for the study. The applicable diagnostic tests for this research were tests for; normality, linearity, heteroskedasticity, and multicollinearity (Olive, 2017).

#### *Normality Test*

The researcher checked to find out if there was a normal distribution of collected data. This assumption is key in regression analysis and must be tested in order to ensure that the results generated are not misleading (Osborne & Waters, 2002). The normality assumption was tested through a plot of the residuals versus the predicted financial sustainability values (Y). Figure 4.1 below shows a normal distribution of the residuals which indicate that data was normally distributed.



*Figure 4.1: Histogram for Standardized Residuals on Financial Sustainability*

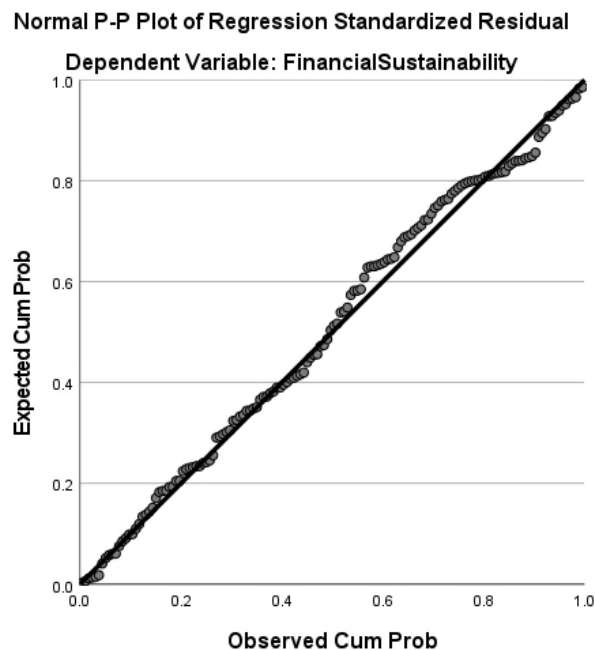
Source: Research Data (2021)

### Linearity Test

Linearity was checked using a P-P plot of standardized residuals and correlation analysis.

#### *P-P Plot of Standardized Residuals*

The assumption for linearity was tested using the P-P plot; where all the predictor variable (strategic direction, human capital, core competencies, balanced organization controls) values and the corresponding outcome (financial sustainability) values were generated using SPSS 27. Being sure of a linear relationship between the independent (predictor) and the dependent variable (outcome) was an important step to ensure that predictions of financial sustainability (Y) would not be biased and consequently yield estimates that are not accurate (Hickey *et al.*, 2019, p. 3). The P-P plot in the graph below shows a linear relationship between strategic leadership practices and financial sustainability.



*Figure 4.2: P-P Plot of Standardized Residuals*

Source: Research data (2021)

### *Correlation Analysis*

Correlation analysis was applied in the study to reveal the nature of relationship between the dependent variable and each of the independent variables (Hair *et al.*, 2019). “The Pearson product–moment correlation coefficient and the Spearman rank correlation coefficient are widely used in social science research” (Rebekic *et al.*, 2015, p. 47). This research used the Pearson product-moment correlation because it matches more closely, the linear relationship which the study aims to check. It is also consistent with follow up methods such as regression analysis which the study also aimed to test (de Winter *et al.*, 2016). The test was conducted in a two-tailed test at 5% significance level and, therefore, the critical value was set at 0.05 above which the association was deemed not significant and vice versa (Cooper & Schindler, 2014).

The researcher checked the bivariate correlation between each independent variable and financial sustainability using the Pearson correlation test. Pearson correlation analysis results indicates the significance, direction and strength of bivariate relationship among the study variables (Sekaran & Bougie, 2016). The correlation coefficient ranges from -1 to +1. When the coefficient of correlation is closer to -1 or +1, it implies that the level of relationship between variables is stronger. The correlation can also be negative or positive which is determined by the direction of the relationship that exists among the study variables (Hair *et al.*, 2019). The results of correlation analysis for the variables of the study are presented in table 4.13.

Table 4.13: Correlation Analysis

		Financial Sustainability
Determining Strategic Direction	Pearson Correlation	0.484**
	Sig. (2-tailed)	<.001
	N	150
Exploiting and maintaining Core Competencies	Pearson Correlation	0.748**
	Sig. (2-tailed)	<.001
	N	150
Developing Human Capital	Pearson Correlation	0.727**
	Sig. (2-tailed)	<.001
	N	150
Establishing balanced Organizational Controls	Pearson Correlation	0.635**
	Sig. (2-tailed)	<.001
	N	150

\*\* . Correlation is significant at the 0.01 level (2-tailed).

\* . Correlation is significant at the 0.05 level (2-tailed).

Source: Research Data (2021)

The results presented in table 4.13 above show a moderate positive correlation that exists between strategic direction and financial sustainability with a Pearson correlation coefficient of 0.484 and a p-value of 0.01. This signifies that financial sustainability positively increases moderately in direct proportion to strategic direction in faith-based organizations affiliated to Wycliffe Global Alliance in Africa. The presented results also show a high positive correlation between core competencies and financial sustainability revealed by a strong correlation coefficient of 0.748 and a p-value less than 0.01. This implies that financial sustainability positively increases in direct proportion to core competencies in organizations affiliated to the Wycliffe Global Alliance in Africa.

Furthermore, based on above results, a high positive correlation was observed between the development of human capital and financial sustainability indicated by a high correlation coefficient of 0.727 and a corresponding p-value less than 0.01. This implies that development of human capital increases in direct proportion to financial sustainability in faith-based organizations affiliated to Wycliffe Global Alliance in Africa. The correlation results shown in table 4.13 above also reveal a high positive correlation between the balanced organizational controls and financial sustainability shown by a correlation

coefficient of 0.635 and a p-value less than 0.01. This implies that balanced organizational controls increased in direct proportion to financial sustainability in faith-based organizations affiliated to Wycliffe Global Alliance in Africa.

#### *Heteroskedasticity Test*

Heteroskedasticity occurs when the variance in scores on one variable is similar for all values of the other variable. In such a case, the error term remains constant across all independent variables' values (Hair *et al.*, 2019). The Breush-Pagan and Koenker test by Warner (2012) was applied to check for heteroskedasticity in this study. “The null hypothesis for this test is that there is no heteroskedasticity and that the error term is constant. The decision on heteroskedasticity was based on the p-value” (Hair *et al.*, 2011). If the p-value was lower than 0.05, then the null hypothesis was rejected; which implies that there is heteroskedasticity and the researcher failed to reject the null hypothesis if p-value was higher than 0.05, which imply heteroskedasticity is not there. The Breush-Pagan and Koenker test results are presented in table 4.14 below.

*Table 4.14: Breusch-Pagan and Koenker Test for Checking Heteroskedasticity*

	Statistic	Sig.
Breusch-Pagan	5.2076	0.2666
Koenker	5.6170	0.2296

Source: Research Data (2021)

The above results indicate lack of heteroskedasticity since on all the variables the p-value is greater than 0.05.

#### *Multicollinearity Test*

When there are correlations between independent variables in a given study then multicollinearity exists (Williams *et al.*, 2013). Correlations greater than 0.7 between independent variables are considered high and lead to multicollinearity which implies that the computation of a least squares solution which is unique is not possible. Tolerance and

VIF were used to check for multicollinearity of study variables. A value of tolerance less than 0.1 or VIF values higher than 10 show that a multicollinearity problem exists (Iacobucci *et al.*, 2017). Table 4.15 below shows the VIF and Tolerance test results for this study.

*Table 4.15: Tolerance and VIF Statistics for Multicollinearity*

Model	Collinearity Statistics	
	Tolerance	VIF
1	Strategic Direction	0.442
	Core Competences	0.417
	Human Capital	0.316
	Organizational Controls	0.404
	Environmental Factors	0.919

a. Dependent Variable: Financial Sustainability

Source: Research Data (2021)

The above results indicate that the tolerance level for strategic direction was 0.442 with a VIF of 2.261. Core competencies had a tolerance level of 0.417 and a VIF of 2.400. Human capital had a tolerance level of 0.316 and a VIF of 3.160. Organizational controls had a tolerance level of 0.404 and a VIF of 2.476 whereas environmental factors had a tolerance level of 0.919 and a VIF of 1.088. Based on the decision criteria for this study, tolerance of less than 0.1 and VIF values greater than 10 are indicative of multicollinearity challenges (Williams *et al.*, 2013). Since the tolerance levels were higher than 0.1 and the VIF for all independent variables were less than 10, the study concluded that there was no multicollinearity.

#### Inferential Statistics

According to Kothari (2017), inferential analysis in research employs probability theory to infer the population properties from the analysis of the properties of the sample drawn from it. Inferential statistics were used by the researcher to describe the nature of relationship that existed between strategic leadership practices, environmental factors and financial sustainability (Hair *et al.*, 2019). A composite index was worked out before

inferential statistics were done. The computation of an index for each variable was necessary since data was obtained using the Likert scale. The study used the weighted harmonic mean in the computation of the composite index as guided by the recommendation by Kilika (2012) and Kilika *et al.* (2012).

The inferential analysis methods used for this research were simple and multiple regression analysis (Cooper & Schindlers, 2014). The scores which were computed were used to check the nature of relationship and the level of influence between strategic leadership practices (independent variables), environmental factors (moderating variable) and financial sustainability (dependent variable) in faith-based organizations affiliated to Wycliffe Global Alliance in Africa.

#### Hypotheses Testing

The test of hypothesis was carried out using simple and multiple regression analysis. The test results were interpreted using the adjusted  $R^2$  values, p-values, F statistic and beta ( $\beta$ ) values. The  $R^2$  value indicates, “the change in the dependent variable explained by the change in the independent variable”(Kothari & Garg, 2014). The p-value, “indicates the significance level of the test” (Kothari & Garg, 2014). For this study, regression analysis was done to test the hypotheses at 95 confidence level. If the p-value was lower than 0.05 then the null hypothesis was rejected implying that the confidence level was above 95 percent. In a case where the p-value was higher than 0.05, then the researcher failed to reject the null hypothesis indicating the confidence level below 95 percent (Kothari & Garg, 2014). The Statistic shows the model significance and the higher it was the more significant the model. According to Bryman (2016), the beta ( $\beta$ ) sign indicates the positive or negative effect of the independent variable on the dependent variable when the significance level (p-value) is less than 0.05.

### *Test of Direct Effect Relationship Hypotheses*

Multiple regression analysis was done to check the nature of the relationship between each strategic leadership practice as the independent variable and financial sustainability as the dependent variable. This was worked out with a significance level of 0.05 and 95% level of confidence (Hair *et al.*, 2019). This analysis was guided by the study purpose which was to establish the extent to which strategic leadership practices affect the financial sustainability of faith-based organizations affiliated to Wycliffe Global Alliance in Africa. The empirical model used for testing direct relationships is shown below.

$$Fs = \beta_0 + \beta_1 Sd + \beta_2 Cc + \beta_3 Hc + \beta_4 Oc + \varepsilon$$

Where

Fs = Financial sustainability (dependent variable)

$\beta_0$  = Constant term

$\beta_1$ ,  $\beta_2$ ,  $\beta_3$ , and  $\beta_4$  = Constant regression (beta) coefficients representing the condition of strategic leadership practices and financial sustainability.

Sd = Strategic direction

Cc = Exploiting and maintaining core competencies

Hc = Developing human capital

Oc = Establishing balanced organizational controls

$\varepsilon$  = Error term explaining the variability of financial sustainability arising from other factors not accounted for.

The study tested the combined effect of strategic leadership practices on financial sustainability guided by the above empirical model. The results are as presented in table 4.16.

Table 4.16: Multiple Regression Results for SLP on Financial Sustainability.

Model Summary:									
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change in R Square	F Change	df1	df2	Sig. F Change
1	.849 <sup>a</sup>	0.720	0.713	0.21210	0.720	93.415	4	145	0.000
a. Predictors: (Constant), Organisational Controls, Strategic Direction, Core competencies, Human Capital									
ANOVA:									
Model		Sum of Squares	df	Mean Square	F	Sig.			
1	Regression	16.810	4	4.203	93.415	.000 <sup>b</sup>			
	Residual	6.523	145	.045					
	Total	23.333	149						
a. Dependent Variable: Financial Sustainability									
b. Predictors: (Constant), Organizational Controls, Core Competences, Strategic Direction, Human Capital									
Coefficients:									
Model		Unstandardized Coefficients		Standardized Coefficients		t	Sig.		
		B	Std. Error	Beta					
1	(Constant)	0.028	0.220			0.128	0.899		
	Strategic Direction	0.099	0.038	0.128		2.589	0.011		
	Core Competences	0.381	0.053	0.414		7.231	0.001		
	Human Capital	0.355	0.062	0.347		5.773	0.001		
	Organizational Controls	0.154	0.059	0.153		2.609	0.010		
a. Dependent Variable: Financial Sustainability									

Source: Research Data (2021)

The model summary in table 4.16 indicates a R-value of 0.849 which reveals a strong positive correlation between strategic leadership practices and financial sustainability (Cooper & Schindler, 2014). The adjusted R-square value shows the percentage of variations in the dependent variable (financial sustainability) that is explained by all the four independent variables (exploiting and maintaining core competencies, determining strategic direction, establishing balanced organizational controls and developing human capital) (Cooper & Schindler, 2014). The adjusted R<sup>2</sup> value of 0.713

indicates that 71.3% of the variation in financial sustainability (dependent variable) was explained by strategic leadership practices (exploiting and maintaining core competencies, developing human capital, determining strategic direction and establishing balanced organizational controls) which are the independent variables for the study. The remaining 28.7% of variation in financial sustainability was due to other variables not covered by the study.

The ANOVA results shown in table 4.16 above for strategic leadership practices and financial sustainability indicate a p-value of 0.000. Since it is lower than 0.05 it means that the regression relationship was significant in predicting how strategic leadership practices (exploiting and maintaining core competencies, determining strategic direction, establishing balanced organizational controls and developing human capital) affect financial sustainability of organizations that are affiliated to the Wycliffe Global Alliance in Africa. Since the F Statistic of 93.415 is more than the critical F value (4,145) of 2.66, it shows that the overall regression model was adequate and a significant predictor of financial sustainability (Hair *et al.*, 2019).

The beta coefficients in table 4.16 above describe the mathematical relationship between the dependent variable and each independent variable. The p-values for the coefficients indicate whether these relationships are statistically significant (Kumari & Yadav, 2018). Table 4.16 above shows the regression coefficients for strategic leadership practices and financial sustainability. The values are substituted in the following equation;

$$F_s = \beta_0 + \beta_1 S_d + \beta_2 C_c + \beta_3 H_c + \beta_4 O_c + \varepsilon$$

as follows:

$$F_s = 0.028 + 0.128 S_d + 0.414 C_c + 0.347 H_c + 0.153 O_c + \varepsilon$$

According to the above equation, taking all factors (determining strategic direction, exploiting and maintaining core competencies, developing human capital, and establishing balanced organizational controls) constant at zero. Financial sustainability is 0.028.

The results also show that there will be a 0.128 change in financial sustainability when there is a unit change in the strategic direction, when all other factors are held constant. Similarly, when all other factors are held constant, an increase in exploiting and maintaining core competencies by one unit would produce a 0.414 increase in financial sustainability. In the same way, a unit increase in developing human capital produces a 0.347 increase in financial sustainability when all other factors are held constant. Furthermore, with all other factors held constant, increasing a unit of balanced organizational controls would result in a 0.153 increase in financial sustainability. From these results, the order of significance of strategic leadership practices on financial sustainability was; exploiting and maintaining core competences, development of human capital, establishing balanced organizational controls and determining strategic direction.

The four variables; exploiting and maintaining core competences, development of human capital, establishing balanced organizational controls and determining strategic direction were found to be significant in predicting financial sustainability of organizations that are affiliated to Wycliffe Global Alliance in Africa since they had p-values higher than 0.05. In the same way, all the four variables t-statistics was higher than the critical t-value of 1.65 implying that they were significant in predicting financial sustainability (Sekaran & Bougie, 2016).

#### *Test of Hypothesis One*

The study's first objective was to establish the effect of determining strategic direction on the financial sustainability of faith-based organizations affiliated to Wycliffe Global Alliance in Africa. The corresponding null hypothesis ( $H_{01}$ ) was that strategic

direction has no significant effect on the financial sustainability of faith-based organizations affiliated to Wycliffe Global Alliance in Africa. With a beta coefficient of 0.128 and a p-value of 0.011 for strategic direction as shown by the results presented in table 4.16, the null hypothesis ( $H_{01}$ ) was rejected because the p-value was lower than 0.05. This implies that strategic direction has a positive significant effect on the financial sustainability of faith-based organizations affiliated to Wycliffe Global Alliance in Africa.

These findings are in support of previous studies by Omoro (2016), Katee (2013) and Nganga (2013) who established the existence of a positive relationship between strategic direction and the performance of various organizations. The study by Omoro (2016) focused on, “The role of strategic leadership in strategy implementation in the Geothermal development company in Kenya” (p. 1). The findings revealed that strategic direction has an important role in effective implementation of strategy at GDC. Similar findings were by Katee (2013) whose study sought to establish, “The effect of strategic leadership on the performance of commercial and financial state corporations in Kenya” (p. 8). Similar results were reported by Nganga (2013) who did research on, “Strategic leadership and performance of manufacturing firms in Kenya” (p. 12). The results of this study which was established through multiple regression analysis support the findings of earlier studies, that strategic direction has a significant effect on financial sustainability of faith-based organizations affiliated to Wycliffe Global Alliance in Africa. This study therefore established that strategic direction has a significant effect on financial sustainability of faith-based organizations affiliated to Wycliffe Global Alliance in Africa. Strategic direction had not been linked directly to financial sustainability of faith-based organizations. This finding has served to establish the relationship between strategic direction and financial sustainability in faith-based organizations affiliated to Wycliffe Global Alliance in Africa.

### *Test of Hypothesis Two*

The second objective for this study was to determine the effect of exploiting and maintaining core competencies on the financial sustainability of faith-based organizations affiliated to Wycliffe Global Alliance in Africa. The corresponding null hypothesis was that core competencies has no significant effect on the financial sustainability of faith-based organizations affiliated to Wycliffe Global Alliance in Africa. The results indicate a standardised beta coefficient for exploiting and maintaining core competencies of 0.414 as per the multiple regression results in table 4.16. This shows that a unit increase in exploiting and maintaining core competencies produces increased financial sustainability by 0.414 when all other factors are held constant. Since the p-value of 0.001 was lower than the significance level of 0.05, the study rejected the null hypothesis which implied that exploiting and maintaining core competencies has a significant effect on the financial sustainability of faith-based organizations affiliated to Wycliffe Global Alliance in Africa. The coefficient of exploiting and maintaining core competencies was positive. Therefore, it can be concluded that exploiting and maintaining core competencies has a positive significant effect on financial sustainability of faith-based organizations affiliated to Wycliffe Global Alliance in Africa.

These results are in agreement with a previous study by Al-Nashmi and Heba (2020) and Jerab *et al.* (2011) who established a positive correlation between establishing core competencies and organizational performance. The study done by Al-Nashmi and Heba (2020) sought to identify, “The impact of core competencies in achieving organizational excellence in Yemeni private universities” (p. 1). The findings of the study were that core competencies have a significant influence on the excellence of private universities in Yemen. Jerab *et al.* (2011) sought to, “Examine the impact of core competencies on

competitive advantages and success in Istanbul tourist companies.” The study reported a positive correlation between organizational success and core competencies.

The study by Olaka (2017) that investigated, “The influence of core competencies on effective implementation of strategy in the commercial banks in Kenya” (p. 11), established that exploiting and maintaining core competencies significantly influenced strategy implementation among commercial banks in Kenya. Therefore, the finding by this study on this hypothesis is consistent with earlier studies that sought to establish a link between establishing and maintaining core competencies and performance.

Despite the fact that this study had a focus on faith-based organizations, the findings are similar to those of similar studies in other sectors which established that exploiting and maintaining core competencies can be used to improve the financial sustainability of an organization.

#### *Test of Hypothesis Three*

The third objective of this study was to examine the effect of developing human capital on the financial sustainability of faith-based organizations affiliated to Wycliffe Global Alliance in Africa. The corresponding null hypothesis for the study was that developing human capital has no significant effect on the financial sustainability of faith-based organizations affiliated to Wycliffe Global Alliance in Africa. The multiple regression results shown in table 4.16 were used to test this hypothesis. The results indicate that the beta coefficient for developing human capital was 0.347 and the p-value was 0.001. This implies that all factors held constant, a unit increase in development of human capital results in increased financial sustainability by 0.347. Since the p-value is lower than 0.05 significance level, the researcher rejected the null hypothesis which led to the conclusion that developing human capital had a significant effect on financial sustainability of organizations affiliated to Wycliffe Global Alliance in Africa.

The study conducted by Chogozie and Emmanuel (2018) sought, “To evaluate the effect of human capital development in organizational performance in manufacturing industries in South-East Nigeria” (p.1). This study found out that developing human capital had a positive and significant effect on the performance of manufacturing industries in South East Nigeria. A study by Kiswili *et al.* (2019) focused on, “The effect of human capital on the performance of deposit-taking SACCOs in Kenya.” The study established a positive significant effect the development of human capital has on the performance of deposit-taking SACCOs in Kenya. A study by Tessema (2014) focused on, “The impact of human capital on company performance, the case of the footwear sector in Ethiopia” (p. 1). The study revealed that investing in human capital leads to enhanced performance of MSEs. The current study established that developing human capital has a significant effect on financial sustainability of faith-based organizations affiliated to Wycliffe Global Alliance in Africa. It is in agreement with earlier research which indicated a positive effect that human capital has on organizational performance.

Previous studies by Chogozie and Emmanuel (2018); Kiswili *et al.* (2019), and Ukenna *et al.* (2010) were conducted in profit-making organizations and parastatals which operate differently in terms of the management of human capital compared to faith-based organizations and the non-profit sector as a whole. The findings of this study add knowledge to the field of organizational leadership by linking development of human capital with financial sustainability of faith-based organizations. The findings also facilitate generalization of findings that development of human capital impacts financial sustainability of organizations although the level of effect is dependent on the sector where the study is carried out.

#### *Test of Hypothesis Four*

The fourth objective of this study was to determine the effect of establishing balanced organizational controls on the financial sustainability of faith-based organizations affiliated to the Wycliffe Global Alliance in Africa. The corresponding null hypothesis was that balanced organizational controls have no significant effect on financial sustainability of faith-based organizations affiliated to the Wycliffe Global Alliance in Africa. The standardized beta coefficient of 0.153 for establishing balanced organizational controls with a p-value of 0.010 as presented in the multiple linear regression results in table 4.16, implies that a unit increase in establishing balanced organizational controls would increase the financial sustainability of faith-based organizations affiliated to the Wycliffe Global Alliance in Africa by 0.153 when all other factors are held constant. Based on the p-value of 0.010; which is lower than the 0.05 level of significance, the null hypothesis for study was rejected and a conclusion reached that establishing balanced organizational controls has a significant effect on the financial sustainability of faith-based organizations affiliated to the Wycliffe Global Alliance in Africa. Since the beta coefficient was positive, it means that establishing balanced organizational controls has a significant positive effect on the financial sustainability of faith-based organizations affiliated to the Wycliffe Global Alliance in Africa.

The study conducted by Kwamensa (2016) focused on, “Strategic interventions on performance of construction companies in Kenya” (p. 1) established that balanced organizational controls positively influence strategy implementation. A study by Ogechi (2016) focused on establishing, “The effect of strategic leadership on the performance of small and medium enterprises in Kenya” (p. 11) found out that organizational controls have a positive influence on the performance of firms. A study by Kitonga (2017) that sought, “To determine the effect of strategic leadership practices on not-for-profit organizations’

performance in Nairobi County in Kenya” (p. 14) found out that establishing balanced organizational controls has a strong positive impact on performance of non-profit organizations. Although this study was done in faith-based organizations, the finding on the relationship between organizational controls and organizational performance is similar to earlier studies on other sectors.

This study establishes the nature of relationship between balanced organizational controls and financial sustainability of faith-based organizations affiliated to Wycliffe Global Alliance in Africa. Earlier studies done by Kitonga (2017); Kwamensa (2016); and Ogechi (2016) were carried out in other sectors . Since the findings were similar, it meant that the study findings could be generalized in other sectors.

#### *Test of Moderating Effect Relationship*

The study used multiple regression analysis to test the moderating effect of environmental factors on the relationship between strategic leadership practices and financial sustainability among faith-based organizations affiliated to Wycliffe Global Alliance in Africa. The following steps of multiple linear regression , which were informed by the recommendation by MacKinnon and Fairchild (2009), were applied in this research. A composite index was used for each of the variables used in the model.

The empirical model for testing moderating effect is as shown below.

$$\text{Step 1: } F_s = \beta_0 + \beta_1 SI + \varepsilon$$

$$\text{Step 2: } F_s = \beta_0 + \beta_1 SI + \beta_2 Ef + \beta_3 SI * Ef + \varepsilon$$

Where;  $F_s$  = Composite index for Financial Sustainability

$\beta_0$  = Constant

$\beta_1, \beta_2$  and  $\beta_3$  = Beta coefficients

$SI$  = Composite index for Strategic Leadership Practices

$Ef$  = Environmental Factors

SI\*Ef = Interaction of Strategic Leadership practices and Environmental Factors

*Test of Hypothesis Five*

The fifth objective for this study was to establish the moderating effect of environmental factors on the relationship between strategic leadership practices and financial sustainability of organizations affiliated to Wycliffe Global Alliance in Africa. The study thus hypothesised that environmental factors have no significant moderating effect on the relationship between strategic leadership practices and financial sustainability of faith-based organizations affiliated to Wycliffe Global Alliance in Africa. The two-step multiple regression model recommended by Fairchild and MacKinnon (2009) was adopted by this study to test this relationship.

Step 1: Regress financial sustainability on the composite of strategic leadership practices

For this initial step, financial sustainability was regressed on strategic leadership practices guided by the regression model  $F_s = \beta_0 + \beta_1 SI + \epsilon$ . The outcome is as presented in table 4.17 below.

Table 4.17: Multiple Regression Results for Moderating Effect Step One

Model Summary:									
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change of R Square	F Change	df1	df2	Sig. F Change
1	.821 <sup>a</sup>	.674	.672	.22657	.674	306.542	1	148	.001
a. Predictors: (Constant), Strategic Leadership Practices									
ANOVA:									
Model		Sum of Squares	df	Mean Square	F	Sig.			
1	Regression	15.736	1	15.736	306.542	.001 <sup>b</sup>			
	Residual	7.597	148	.051					
	Total	23.333	149						
a. Dependent Variable: Financial Sustainability									
b. Predictors: (Constant), Strategic Leadership Practices									
Coefficients:									
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.			
		B	Std. Error	Beta					
1	(Constant)	.056	.234		.241	.810			
	Strategic Leadership Practices	.970	.055	.821	17.508	.000			
a. Dependent Variable: Financial sustainability									

Source: Research Data (2021)

As observed in model summary in table 4.17 above, the adjusted R<sup>2</sup> value of 0.672 indicates that the regression model explained 67.2% of the variations in financial sustainability. This also implies that 32.8% of the changes in financial sustainability in organizations affiliated to Wycliffe Global Alliance in Africa are affected by factors that were not part of the study.

The results for ANOVA as presented in table 4.17 above shows an F Statistic of 306.542 and a p-value of 0.001 which is less than the significance level of 0.05. This implies that strategic leadership practices are significant in predicting financial sustainability of faith-based organizations affiliated to Wycliffe Global Alliance in Africa.

The results of the coefficients for the model variables are as presented in table 4.17 above. It is noted that the beta coefficient for strategic leadership practices was 0.821 with a p-value of 0.000 which is less than the significance level of 0.05. This means that an increase of strategic leadership practices by a unit leads to an increase in financial sustainability by 82.1%. The p-value indicates that strategic leadership practices were significant in predicting financial sustainability. The summary of the regression model is as shown below:

$$F_s = 0.056 + 0.821SI + \varepsilon$$

Step 2: Regression of Financial Sustainability on Strategic Leadership Practices Composite, Environmental Factors and the interaction term.

For this second step, the following model was used:  $F_s = \beta_0 + \beta_1SI + \beta_2Ef + \beta_3SI*Ef + \varepsilon$ . Environmental factors variable was added to the model in order to establish the new R-square value, beta coefficient for the interactive term and the level of significance for the interactive term. Table 4.18 shows the regression model results.

Table 4.18: Multiple Regression Results for Moderating Effect Step Two

Model Summary:									
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change in R Square	Change in F	df1	df2	Sig. F Change
1	.827 <sup>a</sup>	.684	.678	.22463	.684	105.479	3	146	.000
a. Predictors: (Constant), Strategic Leadership Practices, Environmental factors, Strategic Leadership Practices*Environmental Factors (SI*Ef)									
ANOVA:									
Model		Sum of Squares	df	Mean Square	F	Sig.			
	Regression	15.967	3	5.322	105.479	.001 <sup>b</sup>			
1	Residual	7.367	146	.050					
	Total	23.333	149						
a. Dependent Variable: Financial Sustainability									
b. Predictors: (Constant), Strategic Leadership Practices, Environmental factors, Strategic Leadership Practices*Environmental Factors (SI*Ef)									
Coefficients:									
Model		Unstandardized Coefficients		Standardized t Coefficients		Sig.			
		B	Std. Error	Beta					
	(Constant)	-.310	.299		-1.040	.300			
1	Strategic Leadership Practices	.922	.059	.780	15.512	.001			
	Environmental factors	-.020	.040	-.027	-0.504	.615			
	Strategic Leadership Practices*Environmental Factors (SI*Ef)	.160	.077	.117	2.079	.039			
a. Dependent Variable: Financial sustainability									

Source: Research Data (2021)

Based on the model summary results in table 4.18 above, the adjusted R<sup>2</sup> value is 0.678, which implies that the regression model predicted 67.8% of the variation in financial sustainability after the introduction of the moderating variable (environmental factors). The ANOVA results shown in table 4.18 above indicate that the regression model F value was 105.479 with a p-value of 0.001. Because the p-value is lower than the level of significance of 0.05, it shows that the regression model was a significant predictor of financial sustainability of faith-based organizations affiliated to Wycliffe Global Alliance in Africa.

From the variable regression coefficient results in table 4.18 above, it is noted that the beta coefficient for strategic leadership practices is 0.780 and its p-value is 0.001. The

beta coefficient for environmental factors was -0.027 with a significance value of 0.615. The interactive term for strategic leadership practices and environmental factors had a beta coefficient of 0.117 and a p-value of 0.039. Tables 4.17 and 4.18 indicated the R<sup>2</sup> values of 0.672 and 0.678 respectively. This is a 0.006 change in R<sup>2</sup> value following the introduction of the moderating variable (environmental factors). This shows that environmental factors explain the 0.6% increase in financial sustainability. Since the p-value for the interactive term (SI\*Ef) is less than 0.05, the environmental factors have a significant moderating effect on the relationship between strategic leadership practices and financial sustainability.

Based on the analysis results, the moderation model is summarised as follows:

$$Fs = -0.310 + 0.780SI - 0.027Ef + 0.117SI*Ef + \epsilon.$$

The moderation effect results are summarised as shown in table 4.19 below.

*Table 4.19: Summary of Multiple Regression Results for Moderating Effect*

Parameter	Step 1	p-value	Step 2	p-value	Change between Step 1 and Step 2	Conclusion
R <sup>2</sup>	0.674	-	0.684	-	0.01	Environmental factors have a significant moderating effect on the relationship between strategic leadership practices and financial sustainability of organizations affiliated to Wycliffe Global Alliance in Africa.
Adjusted R <sup>2</sup>	0.672	-	0.678	-	0.006	
F value	306.542	0.000	105.479	0.001	-201.063	
B Constant	0.056	0.810	-0.310	0.300	-0.366	
B Strategic leadership practices	0.821	0.000	0.780	0.001	-0.041	
B Environmental factors	-	-	-0.027	0.615	-0.027	
B Strategic leadership practices*Environmental Factors	-	-	0.117	0.039	0.117	

Source: Research Data (2021)

When strategic leadership practices were regressed against financial sustainability, the relationship strength as shown by the  $R^2$  value was noted to be 0.674. The beta coefficient was 0.821 and a p-value of 0.000 indicated that strategic leadership practices were a significant predictor of financial sustainability. After the introduction of environmental factors (moderating variable), the relationship strength as indicated by the coefficient of determination ( $R^2$  value) increased from 0.674 to 0.678. The beta coefficient for strategic leadership practices decreased from 0.821 to 0.780; an indication that predictor variables' effect decreased. The decision rule on the moderation hypothesis was informed by Fairchild and MacKinnon (2009), which considers the changes in the coefficient of determination ( $R^2$ ), the regression coefficient for the interaction term ( $\beta_3$ ) and the level of significance of the interaction term ( $\beta_3$ ) when the moderating variable is introduced in the regression model.

The moderating effect on the relationship between the independent variable (strategic leadership practices) and the dependent variable (financial sustainability) is shown by the regression coefficient for the interaction term ( $\beta_3$ ). A significant moderating effect of a particular variable on the relationship between the independent and the dependent variable was noted if the regression coefficient for the interaction term ( $\beta_3$ ) is statistically different from zero.

The interactive term (Sl\*Ef) beta coefficient for strategic leadership practices and environmental factors ( $\beta_3$ ) was 0.117 which gave the estimate of the moderating effect on the relationship between strategic leadership practices and financial sustainability. The p-value for the interaction term for strategic leadership practices and environmental factors on table 4.18 was 0.039 which was lower than the significance level of 0.05. The study therefore rejected the null hypothesis and reached a conclusion that environmental factors have a significant moderating effect on the relationship between strategic leadership

practices and financial sustainability of organizations affiliated to Wycliffe Global Alliance in Africa.

These results were consistent with the study done by Kipchumba (2018) on, “Strategic responses to changes in the external environment and organizational performance of commercial state corporations in Kenya” (p. 1) who established that state corporation performance is influenced by the external environment. Maina (2017) undertook a study titled, “Effect of environmental factors on performance, a case of Barclays Bank” p. 1) and found out that environmental factors such as legal, political, economic, sociocultural factors significantly affect the bank’s performance. The study by Akrofi (2017) who did a study titled, “The Impact of External Business Environment Factors on Performance of Small and Medium-Sized Enterprises in the Pharmaceutical Industry in Kumasi Metropolis” (p. 1) revealed that macroenvironmental factors (economic, technological, political, legal) affected the performance of small and medium-sized enterprises (Akrofi, 2017). According to Ireland and Hitt (2005), “Effective strategies leaders should seek information that will allow them to predict accurately changes in various global markets. Strategic collaborations, with host governments and other companies, are a valuable means of dealing with changing conditions in emerging economic structures” (p. 74).

The finding of this study that there is a significant moderating effect of environmental factors on the relationship between strategic leadership practices and financial sustainability confirms the influence of environmental factors on financial sustainability. This finding therefore gives an understanding of the link between strategic leadership practices, environmental factors and financial sustainability in the context of faith-based organizations affiliated to Wycliffe Global Alliance in Africa.

*Summary of Hypotheses Test Results*

The results of the study hypotheses as discussed above is presented in table 4.20 below.

*Table 4.20: Summary of Hypotheses Test Results*

	Hypothesis	Findings& Decision	Conclusion
Ho <sub>1</sub>	Strategic direction has no significant effect on the financial sustainability of faith-based organizations affiliated to Wycliffe Global Alliance in Africa.	$\beta_1$ is 0.128 and p-value is less than 0.05. Therefore, reject Ho <sub>1</sub>	Strategic direction has a significant positive effect on the financial sustainability of faith-based organizations affiliated to Wycliffe Global Alliance in Africa.
Ho <sub>2</sub>	Competencies has no significant effect on the financial sustainability of faith-based organizations affiliated to Wycliffe Global Alliance in Africa.	$\beta_2$ is 0.414 and p-value is less than 0.05. Therefore, reject Ho <sub>2</sub>	Core competencies has a significant positive effect on the financial sustainability of faith-based organizations affiliated to Wycliffe Global Alliance in Africa.
Ho <sub>3</sub>	Human capital has no significant effect on the financial sustainability of faith-based organizations affiliated to the Wycliffe Global Alliance in Africa.	$\beta_3$ is 0.347 and p-value is less than 0.05. Therefore, reject Ho <sub>3</sub>	Human capital has a significant positive effect on the financial sustainability of faith-based organizations affiliated to the Wycliffe Global Alliance in Africa.
Ho <sub>4</sub>	Balanced organizational controls has no significant effect on the financial sustainability of faith-based organizations affiliated to the Wycliffe Global Alliance in Africa.	$\beta_4$ is 0.153 and p-value is less than 0.05. Therefore, reject Ho <sub>4</sub>	Balanced organizational controls has a significant positive effect on the financial sustainability of faith-based organizations affiliated to the Wycliffe Global Alliance in Africa.
Ho <sub>5</sub>	Environmental factors have no significant moderating effect on the relationship between strategic leadership practices and financial sustainability of faith-based organizations affiliated to Wycliffe Global Alliance in Africa.	There is a change in adjusted R <sup>2</sup> value from 0.672 to 0.678, $\beta_3$ is statistically different from zero, and p-value for S1*Ef is less than 0.05, therefore reject Ho <sub>5</sub> .	Environmental factors have a significant moderating effect on the relationship between strategic leadership practices and financial sustainability of faith-based organizations affiliated to Wycliffe Global Alliance in Africa.

Source: Research Data (2021)

## Chapter Summary

This chapter has given a well-informed explanation of data analysis, presentation and interpretation of findings, and discussion of findings. Analysis of the study findings established that strategic leadership practices (determining strategic direction, exploiting and maintaining core competencies, developing human capital, and establishing balanced organizational controls) have a significant positive effect on financial sustainability of faith-based organizations affiliated to Wycliffe Global Alliance. The study also found out that environmental factors have a significant moderating effect on the relationship between strategic leadership practices and financial sustainability of faith-based organizations affiliated to Wycliffe Global Alliance in Africa.

CHAPTER FIVE  
SUMMARY OF FINDINGS, IMPLICATIONS, CONCLUSIONS AND  
RECOMMENDATIONS

Introduction

This chapter presents a discussion of the key findings under each research objective based on research, theory, and practice in literature. The chapter also presents the implications, conclusions, recommendations for the research and areas proposed for further research.

Summary of Key Findings

*Strategic Direction and Financial Sustainability*

The first objective of the study was to establish the effect of strategic direction on the financial sustainability of faith-based organizations affiliated to Wycliffe Global Alliance in Africa. The null hypothesis for this objective was that strategic direction has no significant effect on the financial sustainability of faith-based organizations affiliated to Wycliffe Global Alliance in Africa.

The descriptive analysis on the strategic direction variable revealed an average mean score of 4.42 which indicated a high level of practice and emphasis of strategic direction among faith-based organizations. However, there were strategic direction elements that on average had a lower rating by respondents. The elements of strategic direction that were rated low included; ensuring there is a clear and well-known vision and mission, periodical reviews of vision and mission statements and revise when necessary, and ensuring those involved in decision-making understand the organization's mission.

Multiple regression results also indicated that a significant positive effect of strategic direction on financial sustainability as shown by a standardized beta coefficient of 0.128 and a p-value of 0.011. This indicated that strategic direction had a significant

positive effect on financial sustainability of faith-based organizations affiliated to Wycliffe Global Alliance in Africa.

From the perspective of organizational theory, the findings of the study supported the propositions of strategic leadership theory. According to this theory, “strategic choices and performance are dependent on the characteristics of dominant actors within an organization and, in particular, the top management team” (Hambrick & Mason, 1984, p. 193). A higher level of emphasis and practice of strategic direction shown by descriptive statistics indicate that the leaders of faith-based organizations involved in this study were actively involved in setting strategic direction for their organizations.

From empirical review, the findings of the study were consistent with existing literature which indicates that strategic direction has a role in boosting the performance of an organization. Strategic direction however had not been linked directly to financial sustainability of faith-based organizations. This study established that strategic direction has a significant positive effect on financial sustainability of faith-based organizations affiliated to Wycliffe Global Alliance in Africa.

#### *Exploiting and Maintaining Core Competencies and Financial Sustainability*

The second objective of the study was to determine the effect of exploiting and maintaining core competencies on the financial sustainability of faith-based organizations affiliated to Wycliffe Global Alliance in Africa. The null hypothesis for the study was that core competencies have no significant effect on the financial sustainability of faith-based organizations affiliated to Wycliffe Global Alliance in Africa.

The mean obtained from descriptive statistics on exploiting and maintaining core competencies indicated an average mean score of 3.90 which implied moderate emphasis and practice in exploiting and maintaining core competencies by faith-based organizations affiliated to Wycliffe Global Alliance in Africa. There were some elements of core

competencies that were rated low by respondents. The elements that were rated low include; building the organization's financial position to be able to meet defined goals, having up to date equipment and assets that enhance the delivery of services and ensuring that staff in the organization have adequate training to be able to deliver results effectively on their assigned responsibilities.

The multiple regression results showed a significant positive effect of core competencies on financial sustainability as shown by a standardized beta coefficient of 0.414 and a p-value of 0.001. This meant that exploiting and maintaining core competencies had a significant positive effect on financial sustainability of faith-based organizations affiliated to Wycliffe Global Alliance in Africa.

In line with strategic leadership theory, the top-level leaders of the organization are responsible for exploiting and maintaining core competencies in an organization that allows the organization to be more competitive (Pearce & Robinson, 2012). Thus, the leaders are well positioned to develop plans that exploit and maintain core competencies that benefit the organization. The establishment of a positive relationship between core competencies and financial sustainability indicate that an organization that is actively exploiting and maintaining core competencies will be well-positioned to explore additional resources which in turn leads to enhanced financial sustainability. This is in line with the strategic leadership theory postulate that strategic leadership offers leaders the capability to find reasons for the continued existence of their organizations.

From empirical review, the study findings were consistent with the existing literature which indicate that core competencies have a role in strengthening organizational performance. Although this study was done in faith-based organizations that are non-profit in nature, the findings were similar to those of earlier studies in other sectors. The above findings support the value of efforts by organizational leaders in faith-based organizations

to increase financial sustainability by exploiting and maintaining core competencies. They also provide a clear way to operationalize the core competencies in faith-based organizations.

#### *Developing Human Capital and Financial Sustainability*

The third objective of the study was to examine the effect of developing human capital on the financial sustainability of faith-based organizations affiliated to Wycliffe Global Alliance in Africa. The hypothesis formulated was that human capital has no significant effect on the financial sustainability of faith-based organizations affiliated to Wycliffe Global Alliance in Africa.

The descriptive statistics on the development of human capital indicated a mean score of 3.79 for development of human capital. This meant that developing human capital was practiced and emphasized at a moderate level in faith-based organizations affiliated to Wycliffe Global Alliance in Africa. The following elements of human capital were on average rated low; rewarding the staff with outstanding performance, having clear career development plans for each staff member and putting in place processes designed to help staff continuously learn from failure and success.

Multiple regression results revealed a standardized beta coefficient of 0.347 and a p-value of 0.001 in the effect of human capital on financial sustainability. This indicated that the development of human capital had a significant positive effect on the financial sustainability of faith-based organizations affiliated to Wycliffe Global Alliance in Africa.

On the basis of theoretical orientation, the development of human capital variable was anchored on strategic leadership theory which posit that strategic leadership offers leaders the ability to find reasons for the continued existence of their organizations. The finding of a positive relationship between human capital and financial sustainability is in line with the tenet of strategic leadership that an organization is able to create and maintain

the ability to learn, ability to change coupled with discernment and capability to make the right decision will attain better performance (Carter & Greer, 2013).

The findings of this study that human capital has a significant positive effect on financial sustainability are similar to other empirical studies. This study therefore adds knowledge to the organizational leadership field by linking development of human capital with financial sustainability of faith-based organizations. Since the findings of previous studies that were conducted in profit making organizations and parastatals produced the same results, this facilitates generalization of findings that development of human capital impacts financial sustainability of organizations irrespective of the sector where the organization operates.

#### *Establishing Balanced Organizational Controls and Financial Sustainability*

The fourth study objective sought to determine the effect of establishing balanced organizational controls on the financial sustainability of faith-based organizations affiliated to Wycliffe Global Alliance in Africa. The corresponding study hypothesis was that balanced organizational controls have no significant effect on the financial sustainability of faith-based organizations affiliated to the Wycliffe Global Alliance in Africa.

The descriptive statistics on balanced organizational controls indicated a mean of 3.84 for balanced organizational controls which meant that this variable was moderately being practiced and emphasized. Some elements of balanced organizational controls were on average rated low. The elements that were rated low are; using performance results for rewards and corrective action, putting in place a team in the organization that is able to respond to crises and evaluate organizational direction and continuously and systematically monitor the organization environment to ensure assumptions made are valid.

Multiple regression results revealed a standardized beta coefficient of 0.153 and a p-value of 0.010 in the effect of balanced organizational controls on financial sustainability.

This indicated that balanced organizational controls had a significant positive effect on the financial sustainability of faith-based organizations affiliated to Wycliffe Global Alliance in Africa.

The finding that establishing balanced organizational controls has a significant positive effect on financial sustainability is in line with strategic leadership theory postulated by Finkelstein *et al.* (2009). According to this theory, strategic leadership offers leaders the need to find reasons for the continued existence of their organizations. Establishing balanced organizational controls has a place in ensuring continued existence of the organization. In particular, balanced organizational controls assures that right decisions are made at a suitable time. Thus, the postulates of strategic leadership theory seem to apply well in faith-based organizations for the positive effect of balanced organizational controls on financial sustainability.

From empirical review, the finding that establishing balanced organizational controls has a significant positive effect on financial sustainability agree with earlier similar studies done in other sectors. Since earlier studies were done in other sectors and financial sustainability in faith-based organizations had not been directly linked to establishing balanced organizational controls, this study gives an understanding on the relationship between balanced organizational controls and financial sustainability of faith-based organizations affiliated to Wycliffe Global Alliance in Africa.

#### *Moderating Effect of Environmental Factors*

The fifth study objective was to establish the moderating effect of environmental factors on the relationship between strategic leadership practices and the financial sustainability of faith-based organizations affiliated to Wycliffe Global Alliance in Africa. The study thus hypothesised that environmental factors had no significant moderating

effect on the relationship between strategic leadership practices and financial sustainability of faith-based organizations affiliated to Wycliffe Global Alliance in Africa.

The descriptive statistics on the environmental factors had an average mean of 3.52 which meant that respondents agreed on average that environmental factors affect the financial sustainability of faith-based organizations. The variable items focused on whether the environmental factors affected financial sustainability of faith-based organizations. This was the lowest mean obtained from all the study variables and its low moderating effect on financial sustainability is supported by descriptive statistics. The elements that were rated as high environmental factors influencing financial sustainability are; economic growth rate, inflation rate, fluctuation in exchange rates, the political situation in the country and unemployment levels, levels of disposable income, and income distribution among the people served by the organization that were rated as high influencers.

Multiple regression results revealed that the interactive term beta coefficient which gave the estimate of the moderating effect on the relationship between strategic leadership practices and financial sustainability was 0.117. The p-value for the interaction term for strategic leadership practices and environmental factors was 0.039 which was lower than the significance level of 0.05. It was also noted that after introduction of environmental factors, the  $R^2$  value increased from 0.672 to 0.678 and the beta coefficient for strategic leadership practices decreased from 0.821 to 0.780, an indication that predictor variables' effect decreased. This revealed that environmental factors had a significant moderating effect on the relationship between strategic leadership practices and financial sustainability of organizations affiliated to Wycliffe Global Alliance in Africa.

The moderating effect of environmental factors in this study was informed by the propositions of adaptive leadership theory, which assert that environmental characteristics influence the ability of an organization to acquire resources and increase the likelihood of

gaining access to resources. An alignment of the organizational characteristics to its context or environment results in increased organizational performance. The finding of this study that environmental factors have a significant moderating effect on the relationship between strategic leadership practices and financial sustainability, confirms that adaptive leadership theory is applicable in faith-based organizations.

Empirically, the finding of this study that there is a significant moderating effect of environmental factors on the relationship between strategic leadership practices and financial sustainability is comparable to earlier research in other sectors. Hence, this study gives an understanding of the link between strategic leadership practices, environmental factors and financial sustainability in the context of faith-based organizations affiliated to Wycliffe Global Alliance in Africa.

#### Implications of the Study

The researcher was concerned about the financial sustainability of faith-based organizations and the connection between strategic leadership practices and financial sustainability. This research on strategic leadership practices and financial sustainability demonstrated a strong link between strategic leadership practices and financial sustainability, since 72% of financial sustainability is explained by strategic leadership practices. The following are the implications that arose in the light of the findings and the theoretical and conceptual framework.

##### *Implication for Leaders of Faith-based Organizations*

Based on the study findings, exploiting and maintaining core competencies, establishing balanced organizational controls, developing human capital and determining strategic direction have significant positive effect on the financial sustainability of faith-based organizations affiliated to Wycliffe Global Alliance in Africa. This therefore implied

that strategic leadership had a key role in strengthening the financial sustainability of faith-based organizations.

Faith-based organizations in the Wycliffe Global Alliance emphasized these four strategic leadership practices in the following order from highest to lowest: Determining strategic direction, exploiting and maintaining core competencies, establishing balanced organizational controls and developing human capital. However, in order to strengthen their financial sustainability, these organizations should reorder their priorities to emphasize the strategic leadership practices that this study indicated have a greater effect on financial sustainability: exploiting and maintaining core competencies, developing human capital, establishing balanced organizational controls and determining strategic direction.

#### *Policy Implications*

The study revealed that environmental factors had a significant effect on the relationship between strategic leadership practices and the financial sustainability of faith-based organizations affiliated to Wycliffe Global Alliance in Africa. Since environmental factors are largely outside the control of faith-based organizations, the government should consider formulation of relevant policies on the following key environmental factors that influence financial sustainability of faith-based organizations; Economic growth rate, inflation rate, fluctuation in exchange rates, the political situation in the country and unemployment levels, levels of disposable income, and income distribution among the people served by the organization.

#### *Theoretical Implications*

This study was underpinned on three theories being the strategic leadership theory, resource base view theory and adaptive leadership theory. The study agreed with the tenets of strategic leadership that; the top-level leaders of the organization are well positioned to allow the organization to be more competitive, that an organization that creates and

maintains the ability to learn coupled with discernment and capability to make the right decision will attain better performance through the development of human capital, and that balanced organizational controls assures that right decisions are made at a suitable time are aligned to the findings of this study. The adaptive leadership theory is aligned to this study since it found out that environmental characteristics influence the ability of an organization to gain access to and acquire resources.

#### *Implications to the Body of Knowledge*

When the strategic leadership practices were ranked according to their level of effect on financial sustainability from the highest to the lowest, the following order was established; exploiting and maintaining core competencies, developing human capital, establishing balanced organizational controls and determining strategic direction. A study by Hagen *et al.* (1998) that sought to determine the most critical strategic leadership practices in organizations in the US ranked the six key strategic leadership practices in order of importance is as follows; determining the organisation's strategic direction, developing human capital, exploiting and maintaining core competencies, and establishing strategic controls (Lear, 2012, p. 148). The order of the most critical strategic leadership practices was different. This implies that critical strategic leadership practices could vary according to the context or the sector in which the organization is operating.

Secondly, the focus of this research was on strategic leadership practices and the financial sustainability of faith-based organizations affiliated to Wycliffe Global Alliance in Africa. The study contributes to knowledge in the following areas of strategic leadership practices and financial sustainability. The study established that previous research had not given adequate attention to strategic leadership practices in faith-based organizations, hence researchers had not adequately addressed the financial sustainability dimensions of faith-based organizations. The current study also contributes to this knowledge by looking

at qualitative financial measures of financial sustainability of faith-based organizations using the dimensions of income diversification, donor relationship management and financial management practices.

Thirdly, previous research on strategic leadership practices in faith-based organizations had been undertaken out of Africa. Those undertaken in Africa had not given sufficient attention to financial sustainability of faith-based organizations. This study contributes to knowledge by demonstrating the link between strategic leadership practices and financial sustainability of faith-based organizations affiliated to the Wycliffe Global Alliance in Africa.

The fourth implication is that strategic leadership practices in faith-based organizations had not received sufficient attention from researchers. Studies conducted on developing human capital, determining strategic direction, establishing balanced organizational controls, and exploiting and maintaining core competencies had examined these as mere functions of an organization and not as strategic leadership practices. The current study contributes to knowledge by demonstrating the influence of these four strategies leadership practices on financial sustainability in faith-based organizations.

### Conclusion

This study showed that faith-based organizations affiliated to Wycliffe Global Alliance in Africa have applied strategic leadership practices in the following order from highest to lowest; determining strategic direction, exploiting and maintaining core competencies, balanced organizational controls and development of human capital. However, the hypothesis test identified a different priority order in which the strategic leadership practices are significant in influencing financial sustainability, exploiting and maintaining core competencies, development of human capital, balanced organizational controls and determining strategic direction.

The study established that these four practices related to strategic leadership have a significant effect on financial sustainability of faith-based organizations affiliated to Wycliffe Global Alliance in Africa. The study also confirmed the moderating effect of environmental factors on the relationship between strategic leadership practices and financial sustainability of faith-based organizations affiliated to Wycliffe Global Alliance in Africa. Thus, this study demonstrates that faith-based organizations seeking to build their financial sustainability need to strengthen the four strategic practices, and to account for the influence of environmental factors. These will be addressed in turn in the following section.

#### *Strategic Direction and Financial Sustainability*

This study established that determining strategic direction has a significant effect on financial sustainability of faith-based organizations affiliated to Wycliffe Global Alliance in Africa. In a faith-based organizations, strategic direction can be attained through ; clearly defined vision and mission in strategic documents, periodical reviews of the vision and mission whenever it is necessary, ensuring that mission and vision are clear and well known by all the staff, ensuring that vision and mission informs the organization's focus and priorities, ensuring a formal and a robust process followed in establishing the organizations strategic direction, ensuring that strategies are consistent and supportive of the organization's mission and vision, program objectives and activities are in line with the organization's mission statement, approved plans and budgets are supportive and consistent with the mission of the organization and that the decisions and actions in the organization show that those involved understand the organization's mission

#### *Core Competencies and Financial Sustainability*

Exploiting and maintaining core competencies has a significant effect on financial sustainability of faith-based organizations affiliated to Wycliffe Global Alliance in Africa.

In a faith-based organization, core competencies can be exploited and maintained through; strengthening the financial position to be able to meet defined goals, having up to date equipment and assets that enhance the delivery of services, ensuring that staff have adequate training to be able to deliver results effectively on their assigned responsibilities, ensuring that staff are often supported to improve their performance, creating opportunities for every staff to develop their skills, knowledge, and competencies and partnering with other organizations in order to come up with better services.

#### *Human Capital and Financial Sustainability*

The development of human capital has a significant effect on the financial sustainability faith-based organizations affiliated to Wycliffe Global Alliance in Africa. In a faith-based organization, human capital can be effectively developed by; carefully evaluating its staffing needs in order to operate at its desired capacity, ensuring that recruitment of new staff is guided by the required skills, knowledge and competence required for each role, having clear career development plans for each staff member, continuous training on the job to enhance the effectiveness and efficiency of staff in carrying out their service, training and development programs for staff that contribute positively to the organization's goals, investing in staff so that they are able to expand their knowledge and perform at a higher level, putting in place processes designed to help staff continuously learn from failure and success, reward the staff with outstanding performance and encouraging innovation and creativity among all employees as they carry out their work.

#### *Balanced Organizational Controls and Financial Sustainability*

Establishing balanced organizational controls has a significant positive effect on financial sustainability of faith-based organizations affiliated to Wycliffe Global Alliance in Africa. In a faith-based organization, balanced organizational controls can be attained by; formulating assumptions based on the internal and external organizational environment

during the process of defining goals for the organization, ensuring that operational plans and activities are informed by the organization's strategic plan which is reviewed regularly, identifying strategic risks and their potential impact early by use of environmental information, continuously and systematically monitoring the organization environment to ensure assumptions made are valid, conducting milestone reviews to check progress made on organizational plans, measuring performance and its components, using performance results for rewards and corrective action, anticipating changes in events and trends that are likely to affect organizational goals, developing a set of actions to manage possible issues and risks, identifying events that may lead to a crisis by monitoring its environment and putting a team in place that develops needed plans, actions, tools, and techniques in order to respond to crises and evaluate organizational direction.

#### *Moderating Effect of Environmental Factors*

Environmental factors have a significant effect on the relationship between strategic leadership practices and the financial sustainability of faith-based organizations affiliated to Wycliffe Global Alliance in Africa. A faith-based organization seeking to strengthen its financial sustainability should give attention to the influence of environmental factors. A faith-based organization should therefore seek to mitigate the negative effects of the following environmental factors on their work : Political situation in the country of operation, nature of the democratic space, government laws and regulations, government foreign policies, economic growth rate, inflation rate, fluctuation in exchange rates, unemployment levels, the level of disposable income, and income distribution, values, religious beliefs, diverse demographics of the society, levels of education, the language of the society, rate of new inventions, information technology changes and mobile technology, internet technology and e-commerce.

## Recommendations of the Study

From the study findings and the conclusions, recommendations are made as follows.

### *Leaders of Faith-based Organizations*

Leaders of faith-based organizations affiliated to the Wycliffe Global Alliance in Africa are not powerless in the face of challenging political, economic, and social conditions in their environment. Low financial sustainability of faith-based organizations in Africa has largely been attributed to poor performing economies. However, this study shows that attention to strategic leadership practices can make a difference in enhancing financial sustainability of an organization. Therefore, it is recommended that leaders of faith-based organizations embrace strategic leadership and provide a favorable environment to encourage and enable it to be practiced in their organization.

Leaders of faith-based organizations affiliated to the Wycliffe Global Alliance in Africa should also prioritize the practices that have the most significant effect on financial sustainability: Exploiting and maintaining core competencies, developing human capital, establishing balanced organizational controls, and strategic direction. Leaders should also formulate better and effective strategies to strengthen these four practices.

To improve on exploiting and maintaining core competencies, leaders of faith-based organizations affiliated to Wycliffe Global Alliance should focus their attention on; Building the organization's financial position to be able to meet defined goals, having up to date equipment and assets that enhance the delivery of services and ensuring that staff in the organization have adequate training to be able to deliver results effectively on their assigned responsibilities. In order to improve on development of human capital, faith-based organizations affiliated to Wycliffe Global Alliance in Africa should focus their attention on; rewarding the staff with outstanding performance, having clear career development

plans for each staff member and putting in place processes designed to help staff continuously learn from failure and success.

To improve on establishing balanced organizational controls, leaders of faith-based organizations affiliated to Wycliffe Global Alliance in Africa should focus their attention on; using performance results for rewards and corrective action, putting in place a team in the organization that develops needed plans, actions, tools, and techniques in order to respond to crises and evaluate organizational direction and continuously and systematically monitor the organization environment to ensure that assumptions made are valid. To improve on the practice of determining strategic direction, faith-based organizations leaders should therefore focus their attention on; ensuring that there is a clear and well-known mission and vision, periodical reviews of mission and vision statements and revise when necessary, and ensure that those involved in decision-making understand the organization's mission that were lowly rated.

In order to manage the influence of environmental factors on financial sustainability, leaders of faith-based organizations affiliated to Wycliffe Global Alliance in Africa should focus their attention on limiting the influences of; economic growth rate, inflation rate, fluctuation in exchange rates, the political situation in the country and unemployment levels, levels of disposable income, and income distribution among the people served by the organizations that were rated as high negative environmental influencers. During the determination of strategic direction, leaders should evaluate how external factors are likely to influence outlined strategies and make suitable changes in order to limit the negative influences of the environment. This way, their organization is more likely to be fit for its context, which is consistent with strategic leadership theory.

### *Government*

Based on the study findings, the nature of the environment in which faith-based organizations operate affects their financial sustainability. A low level of financial sustainability of faith-based organizations implies a compromised ability of these organizations to provide services to society. Leaders of faith-based organizations should work together to engage with government agencies to put in place favourable political-legal, economic, social and technological policies which will allow them to operate effectively.

### *Funding Partners*

Faith-based organizations that have demonstrated the practice of strategic leadership have potential to make good use of the financial resources they receive towards meeting project goals. In cases of challenges arising that hinder continuity of funding to such an organization, the organization is more likely to continue implementing the project to completion. Funding partners who are interested in helping faith-based organizations develop their financial sustainability can help these organizations to strengthen their strategic leadership practices. The support can include leadership development focused on strengthening strategic leadership and requiring their partners to strengthen strategic leadership practices.

### *Suggestions for Further Studies*

The study findings were limited to faith-based organizations affiliated to Wycliffe Global Alliance in Africa. They only focused on four of the six strategic leadership practices identified by Ireland and Hitt (2005). The researcher thus suggests that further research be conducted in other faith-based organizations affiliated to Wycliffe Global Alliance outside Africa and in other faith-based organizations in Africa and beyond. The researcher also proposes that more research be done to check the effect of sustaining

effective corporate culture and emphasising ethical practices which are the two other strategic leadership practices identified by Ireland and Hitt (2005) that were not covered by this study.

This study used qualitative financial measures for financial sustainability identified by Mitlin *et al.* (2007) and Milelu (2018) namely; income diversification, donor relationship management and financial management practices to allow for the participation of more leaders in the study. This study proposes that further research be done using quantitative financial measures for financial sustainability.

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## APPENDICES

### Appendix I: Questionnaire

#### **Introduction**

Answer all the questions to the best of your knowledge, following the instructions given.

#### **PART A: Basic Information**

In questions 1 to 3 below, please indicate a suitable response

1. Your gender:      Male            Female
2. Number of years you have served in the organization:  Below 1 year  1-3 years  3-5 years  5-10 years  Over 10 years
3. Level of education  Doctorate  Masters  Bachelors  Diploma  Certificate

#### **Guidelines for PART B to PART I**

1. For Part B to Part I, you are requested to express your opinion on how strategic direction, exploiting and maintaining core competencies, developing human capital, creating balanced organizational controls, environmental factors, income diversification, donor relationship management, and financial management systems are exercised in your organization.
2. Your opinion on indicated statements will range from “strongly agree” to “strongly disagree.” In a case where you are not sure, or you do not have an opinion on a particular statement, you can mark the middle column “Neutral/Undecided.”

#### **PART B: Determining Strategic Direction**

**Strategic direction refers to developing a long-term vision for the organization.**

For the questions below, please tick (√) the column with the statement that best describes your opinion on **how strategic direction is exercised in your organization.**

	<b>Description</b>	<b>Strongly agree</b>	<b>Agree</b>	<b>Neutral (Undecided)</b>	<b>Disagree</b>	<b>Strongly disagree</b>
1.1	The organization’s vision and mission are clearly defined in vision and mission statements.					
1.2	The organization regularly reviews its vision and mission statements and whenever it is necessary it is revised.					
1.3	The vision and mission of the organization are clear and well known by all the staff.					
1.4	The vision and mission determine the organization’s focus and priorities.					

1.5	There is a formal and a robust process followed in establishing the organizations strategic direction.					
1.6	The organization's strategies are consistent and supportive of the organization's mission, vision, and organizational growth.					
1.7	The organization's programs, services, and general activities are supportive and in line with the organization's mission statement.					
1.8	The approved plans and budgets are supportive and consistent with the mission of the organization.					
1.9	The decisions and actions in the organization show that those involved understand the organization's mission and the obligation to meet the needs of the community it serves.					

### **PART C: Exploiting and Maintaining Core Competencies**

Core competencies are strategically valuable capabilities to the organization

For the questions below, please tick (√) the column with the statement that best describes your most favourable opinion on **how core competencies are exploited and maintained in your organization.**

	<b>Description</b>	<b>Strongly agree</b>	<b>Agree</b>	<b>Neutral (Undecided)</b>	<b>Disagree</b>	<b>Strongly disagree</b>
2.1	My organization is in a good financial position in comparison with other similar organizations.					
2.2	My organization has up to date equipment and assets that enhance the delivery of services.					

2.3	The staff in my organization are have adequate training to be able to deliver results effectively on their assigned responsibilities.					
2.4	The staff are often supported to improve their performance.					
2.5	My organization creates opportunities for every staff to develop their skills, knowledge, and competencies.					
2.6	My organization partners with other organizations in order to come up with better services.					

#### **PART D: Developing Human Capital**

Human capital refers to the knowledge, skills, and abilities embodied in people.

For the questions below, please tick (✓) the column with the statement that best describes your most favourable opinion on **how human capital is developed in your organization.**

	<b>Description</b>	<b>Strongly agree</b>	<b>Agree</b>	<b>Neutral (Undecided)</b>	<b>Disagree</b>	<b>Strongly disagree</b>
3.1	The organization carefully evaluates its staffing needs in order to operate at its desired capacity.					
3.2	Recruitment of new staff is guided by the required skills, knowledge and competence required for each role.					
3.3	The organization has clear career development plans for each staff member.					
3.4	Continuous training on the job are in place to enhance the effectiveness and efficiency of staff in carrying out their service.					
3.5	The staff benefit from training and development programs that contribute positively to the organization's goals.					

3.6	The organization is investing in staff so that they are able to expand their knowledge and perform at a higher level.					
3.7	The organization has processes designed to help staff continuously learn from failure and success.					
3.8	The organization rewards the staff with outstanding performance					
3.9	Innovation and creativity are encouraged among all employees as they carry out their work.					

### **PART E: Establishing Balanced Organizational Controls**

Organizational control is the process by which an organization influences its functions and members to behave in ways that lead to the achievement of organizational goals and objectives.

For the questions below, please tick (✓) the column with the statement that best describes your most favourable opinion on **how balanced organizational controls are attained in your organization.**

	<b>Description</b>	<b>Strongly agree</b>	<b>Agree</b>	<b>Neutral (Undecided)</b>	<b>Disagree</b>	<b>Strongly disagree</b>
4.1	The organization formulates premises about the external and internal organizational environment during the process of defining goals for the organization.					
4.2	The operational plans and the activities are informed by the organization's strategic plan which is reviewed regularly.					
4.4	The organization is able to identify strategic risks and their potential impact early by use of high-quality environmental information					
4.5	The organization continuously and systematically monitors					

	the organization environment to ensure assumptions are valid.					
4.6	We conduct milestone reviews to check progress based on organizational plans.					
4.7	Performance and its components are measured in the organization.					
4.8	Performance results are used for rewards and corrective action.					
4.9	The organization anticipate changes in events and trends that are likely to affect organizational goals.					
4.10	The organization develops a set of actions to manage issues and risks.					
4.11	The organization identifies events that may lead to a crisis by monitoring its environment.					
4.12	There is a team in the organization that develops needed plans, actions, tools, and techniques in order to respond to crises and evaluate organizational direction.					

## PART F: Environmental Factors

Environmental factors refer to those elements outside the organization's boundaries, such as political, economic, social, technological, and legal factors that influence organizational performance.

For the questions below, please tick (✓) the column with the statement that best describes your most favourable opinion on **the extent to which Environmental Factors influence Financial Sustainability in your organization.**

	Description	Strongly agree	Agree	Neutral (Undecided)	Disagree	Strongly disagree
5.1	The political situation in my country affects the financial sustainability of my organization.					

5.2	The nature of the democratic space in my country affects the financial sustainability of my organization.					
5.3	Government laws and regulations affect efforts towards the financial sustainability of my organization.					
5.4	The government foreign policies influence financial sustainability efforts in my organization					
5.5	Economic growth rates, inflation rates, fluctuation in exchange rates affect the financial sustainability of my organization.					
5.6	Unemployment levels, the level of disposable income, and income distribution among the target group affect the financial sustainability of my organization.					
5.7	The values, religious beliefs, diverse demographics of the society served by my organization affects the financial sustainability of my organization.					
5.8	Levels of education, the language of the society served by my organization affect the financial sustainability of my organization.					
5.9	The rate of new inventions, changes in information and mobile technology affect the financial sustainability of my organization.					
5.10	Changes in the internet and e-commerce and spending on research affect the financial					

	sustainability of my organization.					
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### **PART G: Income Diversification**

Income diversification entails an organization's need to create multiple income sources to finance its activities adequately, given its set objectives.

For the questions below, please tick (√) the column with the statement that best describes your most favourable opinion on the **diversification of income in your organization**.

	<b>Description</b>	<b>Strongly agree</b>	<b>Agree</b>	<b>Neutral (Undecided)</b>	<b>Disagree</b>	<b>Strongly disagree</b>
6.1	The organization mobilizes funds from different sources.					
6.2	The organizations funding is at least obtained from five different sources.					
6.3	In order to access resources in the organization, some procedures and mechanisms are followed.					
6.4	There is a plan for fundraising and development in my organization.					
6.5	The organization only mobilize income from sources that are within the values of the organization.					
6.6	The organization is able to attract funding by use of good funding proposals.					
6.7	The organization receives subsidies from the government and donors.					

### **PART H: Donor Relationship Management**

Donor relationship management entails undertaking deliberate efforts to constructively engage the donors in the activities of the organization.

For the questions below, please tick (√) the column with the statement that best describes your most favourable opinion on **how the relationship with donors is managed in your organization**.

	<b>Description</b>	<b>Strongly agree</b>	<b>Agree</b>	<b>Neutral (Undecided)</b>	<b>Disagree</b>	<b>Strongly disagree</b>
7.1	The organization maintains regular, meaningful communications with its donors.					
7.2	The organization actively implements donor visibility/recognition activities.					
7.3	The organization accounts for the funding it receives by providing regular reports on its expenditure.					
7.4	The organization complies with donor guidelines in donor sponsored activities.					
7.5	The stronger the relationship my organization has with its donors, the more financial resources it receives.					
7.6	Accurate and timely accounting of funding from donors has improved the organizations relationship with donors.					
7.8	The organization has established constructive alliances and networks and alliances with donor organizations.					

### **PART I: Financial Management Systems**

Financial management systems entail having in place accounting systems that aid in the effective planning, controlling, and administering of organization funds.

For the questions below, please tick (√) the column with the statement that best describes your most favourable opinion on **how financial systems are managed in your organization.**

	<b>Description</b>	<b>Strongly agree</b>	<b>Agree</b>	<b>Neutral (Undecided)</b>	<b>Disagree</b>	<b>Strongly disagree</b>
8.1	The organization regularly does financial plans and budget reviews to check if they agree with its mission.					
8.2	The organization has put in place financial reporting					

	structures that ensure good accountability.					
8.3	Financial reporting in the organization is efficient and effective.					
8.4	Operations of my organization are done according to budgetary allocations.					
8.5	The organization maintains an updated assets list.					
8.6	The organization is able to check financial expenditure since there are operational financial policies.					
8.7	The organization has a board which is competent to give oversight for all its financial dealings.					
8.8	The organization is audited every year by a qualified external auditor.					

Appendix II: Certificate of Ethical Clearance

	<h1>Certificate of Ethical Clearance</h1>	 <b>RESEARCH ETHICS REVIEW COMMITTEE ( R E R C )</b>
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**This Certificate is awarded to**

**MATHEW KIPKOSGEI BORE**

**For the research titled**

**STRATEGIC LEADERSHIP PRACTICES AND FINANCIAL SUSTAINABILITY  
OF FAITH-BASED ORGANIZATIONS AFFILIATED TO WYCLIFFE GLOBAL  
ALLIANCE, AFRICA**

**having complied with PAC University Research Ethics Review Committee's  
guidelines and Standard Operating Procedures for ethical clearance.**

This Certificate is issued subject to compliance with the following requirements:

- i. Before commencing the study, you are required to obtain a Research Permit from the National Commission for Science, Technology and Innovation (NACOSTI) as well as other institutional clearances as and where needed.
- ii. Only approved documents including research instruments and informed consent forms will be used.
- iii. All changes including amendments and/or deviations are to be submitted for review and clearance by PAC University Research Ethics Review Committee before use.
- iv. Any expected or unexpected changes that may increase the risks to study participants or affect the integrity of the study must be reported to in writing to PAC University Research Ethics Review Committee within three days.
- v. Any request for renewal or approval must be submitted to PAC University Ethics Review Committee at least six weeks prior to the expiry of this Certificate and must be accompanied by a comprehensive progress report to support the renewal.

<b>Date of issue</b>	<b>7<sup>th</sup> Sept 2021</b>	<b>Expiry date</b>	<b>7<sup>th</sup> Sept 2022</b>
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Signed: \_\_\_\_\_

Dr. Josh T. Amwago, PhD

Chairman, PAC University Research Ethics Review Committee

### Appendix III: PAC University Introduction Letter



9<sup>th</sup> September, 2021

**TO WHOM IT MAY CONCERN**

Dear Sir/Madam,

P.O. Box 56875 - 00200  
Nairobi, Kenya  
Lumumba Drive, Roysambu  
off Kamiti Rd, off Thika Rd  
Tel: 0734 400694/0721 932050  
Email: [enquiries@pacuniversity.ac.ke](mailto:enquiries@pacuniversity.ac.ke)  
website: [www.pacuniversity.ac.ke](http://www.pacuniversity.ac.ke)

**RE: RESEARCH AUTHORIZATION & ETHICS CLEARANCE LETTER FOR  
BORE MATHEW KIPKOSGEI REG. NO: POLD/10174/0/17**

Greetings! This is an introduction letter for the above named person a final year student at Pan Africa Christian University (PAC University), pursuing a Doctor of Philosophy in Organizational Leadership Development (Phd).

He is at the final stage of the programme and he is preparing to collect data to enable him finalize on his dissertation. The dissertation title is "***Strategic Leadership Practices and Financial Sustainability of Faith-Based Organizations affiliated to Wycliffe Global Alliance, Africa***".

We kindly request that you allow him obtain a research permit so as to proceed and collect data to inform his research within Faith-Based Organizations affiliated to Wycliffe Global Alliance, Africa.

Warm Regards,

*Lilian Vikiru*

PAN AFRICA CHRISTIAN UNIVERSITY  
**REGISTRAR**  
P.O. Box 56875 - 00200.  
TEL: 0721 932050 0734 400694  
NAIROBI, KENYA

Dr. Lilian Vikiru

Registrar Academic Affairs

Pan Africa Christian University

Lumumba Drive, Roysambu, off Kamiti Rd, off Thika Rd

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Website: [www.pacuniversity.ac.ke](http://www.pacuniversity.ac.ke)



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1. The License is valid for the proposed research, location and specified period
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Website: [www.nacosti.go.ke](http://www.nacosti.go.ke)

Appendix V: Wycliffe Global Alliance Research Permission



12<sup>th</sup> July 2021

**To Whom it May Concern,**

**RE: RESEARCH PERMISSION-MATHEW KIPKOSGEI BORE**

This is to confirm that Mathew Kipkosgei Bore has permission to collect data from organizations affiliated to Wycliffe Global Alliance in Africa for the purpose of completing his dissertation at Pan Africa Christian University titled “Strategic Leadership and Financial Sustainability of Faith-based Organizations affiliated to Wycliffe Global Alliance, Africa”

Please accord him the necessary assistance.

Yours Sincerely,

A handwritten signature in blue ink, followed by a circular blue stamp. The stamp contains the Wycliffe logo and the text 'WYCLIFFE GLOBAL ALLIANCE - AFRICA' around the top edge, 'WYCLIFFE' in the center, and 'Partners in Bible Translation' around the bottom edge. The stamp also includes the text 'P.O. BOX 100, MAKORI, KENYA'.

**Pauline Wairinju Irungu**  
**Africa Area Director**  
**Wycliffe Global Alliance**