Balanced Organizational Controls and Financial Sustainability of Faith-based Organizations

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Abstract

Maintaining financial sustainability over the long term is vital for faith-based organizations since many of them 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 study sought to establish the degree to which organizational controls affect the financial sustainability of faith-based organizations affiliated to Wycliffe Global Alliance in Africa. This study was anchored on strategic leadership and agency theory and was based on the positivism research paradigm. The study adopted descriptive research design and used primary data collected from 198 leaders serving as directors, heads of departments, and heads of units in faith-based organizations affiliated with Wycliffe Global Alliance in Africa. Descriptive statistics reported means and standard deviations respectively for the independent variables as follows; monitoring controls 3.71 and 0.480, premise controls 3.80 and 0.629, special alert controls 3.79 and 0.647, implementation controls 4.12 and 0.587, and for financial sustainability as the dependent variable 4.33 and 0.753. Multiple linear regression analyses results indicated that the financial sustainability of faith-based organizations affiliated to Wycliffe Global Alliance was highly predicted by balanced organizational controls with the independent variables explaining 38.8 percent of financial sustainability variation. The study concluded that balanced organizational controls if fully utilized and supported could enhance the financial sustainability of faith-based organizations. The study recommends that leaders of faith-based organizations should provide a favourable environment for balanced organizational controls to be effectively practiced in order to strengthen financial sustainability.

Keywords: Balanced Organizational Controls, Monitoring Controls, Premise Controls, Special alert controls, Implementation Controls, Financial Sustainability, Faith-based Organizations.

1. Introduction

Increasing volatility, uncertainty, complexity, and ambiguity have led to a new and unstable operating environment for both non-profit and profit-making organizations (Currie et al., 2012; Hughes & Beatty, 2011). 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). Faith-based organizations are particularly affected by this hyper-turbulent environment since it has significantly interfered with their financial sustainability efforts and, consequently, their ability to realize their mission (Stewart et al., 2016). 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 organizational goals (Sontag-Padilla et al., 2012). Strategic leadership practices are known to play a critical role in organizations based on a dynamic operating environment (Boal & Schultz, 2007). Strategic leadership practices, therefore, enables the organization to move forward and be assured of long-term success. 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).

According to Hitt et al. (2016) establishing balanced organizational controls is one of the key strategic leadership practices that make strategic leadership effective in contemporary times. Balanced 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) observed 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, taking the required corrective action. In this regard, Ireland and Hitt (2005) highlight the need to determine the level of control, how success is measured, how expectations are communicated, and how to check progress towards attainment of the organizations purpose.

1.1 Statement of the Problem

Faith-based organizations globally provide different services that are valuable to society in areas such as healthcare, education, social work, and disaster relief, among others with the objective of improving the welfare of humanity (Ahmed, 2013). These organizations face a range of diverse and complex internal and external issues. Some of the internal issues include budgeting, strategic planning, growth, leadership, staffing, and change management, besides challenges arising from their external environments such as relationships with the private sector, their target communities, other not-for-profit organizations, and government.

The high dependency on foreign donors has not only shifted interventions to match donor priorities but also limited financial sustainability (Kenya National Council of NGOs, 2018). It has been observed that majority of the faith-based organizations cease operations in their nascent stages due to funding-related problems (Maboya & McKay, 2019). Unfortunately, it is not only these organizations that are affected when they cease their operations but also vulnerable communities that are deprived of the much-needed services (Kenya National Council of NGOs, 2018).

A study by Mawudor (2016) established that only 18% of church-related organizations in Africa are relatively financially sustainable while 82% were moving towards a crisis or survival mode, indicating that financial sustainability for many faith-based organizations is a matter of concern. Similarly, Tata and Prasad (2015) observed that leaders of faith-based organizations struggle to meet the needs of stakeholders while maintaining fiscal and human resources. Yet, many of them offer services to very needy communities that require services consistently and continuously (Harding, 2014).

Organizational leadership is duty-bound to establish a framework of organizational controls that tracks progress (Sihag & Rijsdijk, 2019). Besides being progress pointers, controls provide signals for corrective measures and a structure that facilitates innovative and flexible behaviours that helps an organization remain relevant within its sectors (Verburg et al., 2018). This study, therefore, sought to assess the effect of establishing balanced organizational controls on the financial sustainability of faith-based organizations affiliated to Wycliffe Global Alliance in Africa.

1.2 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 a strategic force to navigate the current hyper-turbulent environment and assure effective performance (Bajcar et al., 2015).

The study provides new and critical information to inform faith-based organizations' leadership on whether to employ balanced organizational controls as a strategic leadership practice to develop and maintain financial sustainability. The study findings also inform the adoption of balanced organizational control 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 balanced organizational controls and financial sustainability in faith-based organizations, as revealed in this study, provides informed leadership development training (Grandy, 2013). The study is also of significance to the policymakers in faith-based organizations in enforcing controls in their respective organizations. The findings of this research are also useful for organizations to understand the relevance of effective control in promoting better financial sustainability.

2. Theoretical Foundation

The study was grounded on the strategic leadership theory developed by House and Baetz (1979). Strategic leadership, according to this theory offers leaders the capability to find reasons for the continued existence of their organizations. Boal and Hooijberg (2000) advanced the argument that strategic leadership happens in an increasingly hyper-turbulent environment, evidenced by complexity, ambiguity, and information overload. They suggest that strategic leadership has the role of creating and maintaining the ability to learn and to change, coupled with discernment and the capacity for right decision-making at critical moments. The failures in the majority of the organizations were seen to be resulting from the absence of strategic leadership (Kabetu & Iravo, 2018).

Ireland and Hitt (2005) also advanced Hambrick and Mason (1984) argument that strategic leadership occurs in an environment that is increasingly becoming hyper-turbulent. The value of strategic leadership practices is seen in creating and maintaining the ability to learn, the ability to change coupled with discernment, and the capability to make the right decision at crucial moments (Carter & Greer, 2013). A review of this theory provided a clear link between balanced organizational controls as a strategic leadership practice and the financial sustainability of faith-based organizations affiliated to Wycliffe Global Alliance in Africa.

The study was also underpinned by the agency theory. This theory highlights that organizations are necessary structures for exercising controls in order to minimize agents' opportunistic behavior (Wiseman et al., 2012). The principals should therefore put in place measures to limit agents' self-interest and to attain harmony between the agent and the principal (Cruz et al., 2010). The relationship between the principal and the agent can be strengthened when the principal puts in place relevant controls.

According to this theory, in order to reduce agency problem, a leader can come up with a structure of governance that allows effective assessment and monitoring of the agent (Chrisman et al., 2007). The other way is to come up with a governance structure where the contract is informed by the actual outcome of agent behavior (Eisenhardt, 1989). The relationship between the leader and the staff is key in influencing the performance of the organization and this theory helped to clarify the need for organizational controls in enhancing the financial sustainability of the organization.

3. Conceptual and Empirical Review

3.1 Balanced Organizational Controls

Strategy making and strategy execution are the key broad concepts of the strategic management process (Tapera, 2014). The conceptualization and implementation of strategy is made up of five integrated and interrelated steps: "1. Developing a strategic vision of where the company needs to head and what its future service focus should be. 2. Setting objectives and using them as yardsticks for measuring the organization's performance and progress. 3. Crafting a strategy to achieve the objectives and move the company along the strategic course that management has charted. 4. Implementing and executing the chosen strategy efficiently and effectively. 5. Evaluating performance and initiating corrective adjustments in the company's long-term direction, objectives, strategy or execution in light of actual experience, changing conditions, new ideas, and new opportunities" (Thompson et al., 2013, p. 27).

Balanced organizational controls describe the systems, processes, and tools that enable organizations to track their progress towards the achievement of their goals (Center for Creative Leadership, 2017). The nature of controls may vary from one organization to another but there is general agreement that the controls framework must support the strategic direction of the organization. Accordingly, Harkin et al. (2016) emphasized that the organizational controls framework remains an inevitable mechanism, which ought to intervene in achieving superior performance. This is in line with a study by Kwamensa (2016) which established that balanced organizational controls positively influenced strategy implementation. This calls for organizational controls which act as a tracker against which performance is monitored.

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 taking the required corrective action. In this regard, Ireland and Hitt (2005) highlight the need to determine how much control, how success is measured, how expectations are communicated, and how to check progress towards attainment of the organizations' purpose.

Controls are very important in ensuring that organizations can reach their anticipated outcomes. These controls comprise formal procedures dependent on information used to change patterns or maintain the activities of the organization. Controls are also helpful to leaders in their duty to show how valuable strategies are to stakeholders and build the credibility of the organization (Shields et al., 2000). Strategic control is applied by organizations to control the conceptualization and execution of strategies. Pearce and Robinson (2011) indicate that the purpose of strategic control is to reveal past pitfalls and required corrections in order to lead the organization to the anticipated direction (Ntongai, 2019). It involves the measure of performance and an evaluation in comparison with the targets set.

An organization should be stable in order for it to grow and prosper. Balanced organizational controls are important components in providing the parameters for the implementation of strategy including the remedial actions that address required related adjustments (Ireland et al., 2013). The specific controls are defined both by the nature of policies and procedures, and systems in place to support implementation and monitoring. Verburg et al. (2018) posit that organizational controls need to provide a structure, which ensures that staff performance is enhanced. Additionally, the controls provide a foundation for knowledge management and overall organizational learning. Overall, organizational controls in the context of this study encompass monitoring, premise, special alert, and implementation controls (Hitt et al., 2016).

3.1.1 Monitoring Controls

Monitoring controls are established to check a wide range of events within and outside the organization that has the potential to portend the desired direction for the organization (Ondoro, 2017). Knowledge management and organizational learning system capture the monitoring information. Monitoring controls are also referred to as strategic surveillance and it encompasses a broader information scan of the organization. The purpose of these controls is to establish factors that are overlooked within and outside the organization that are likely to impact the organization’s strategy. Ideally, this process focuses on those areas that are likely to be missed by implementation and premise controls (Ondoro, 2017).

In comparison to implementation and premise controls, monitoring controls are open, broad, and relatively unfocused activities. The key idea behind monitoring controls is to encourage multiple sources of information to provide the opportunity to detect key information otherwise not anticipated (Rai, 2020). A study by Amudo and Inanga (2009) on “Evaluation of internal control systems on the regional member countries of the African Development Bank Group" found that the lack of effective systems of internal control rendered existing internal control structures ineffective. The recommendation was to improve the systems of internal controls (p. 124).

3.1.2 Premise controls

Organizations formulate strategies guided by certain premises or assumptions. Premise controls establish the significant assumptions and check for any changes to evaluate their effect on the strategy of the organization. The goal of establishing premise controls is to check if every assumption still holds (Rai, 2020). The top-level leaders of the organization are responsible for keeping track of the premises by considering organizational and environmental factors such as technology, inflation, demographic, interest rates, social and regulations. The sooner an organization discovers a premise that is false, it should immediately adjust the strategy aspects affected. Since it is not possible for an organization to review all strategic premises, the leaders should focus on those that can have a major effect on strategy or with a higher likelihood of changing (Rai, 2020).

3.1.3 Special alert controls

Special alert control is an immediate strategy reassessment or quick response in view of unexpected or sudden events. It can be in the form of contingency strategies undertaken by an organization's crisis management team. An alert control is activated when something unexpected in the organization happens. This process is reactive so that a quick and thorough strategy assessment is done whenever an extreme event emerges that has a significant effect on the strategy of the organization (Rai, 2020). The organization can choose to form a crisis team made up of the leadership teams and strategic planning team. A special alert control is needed to thoroughly and rapidly, reconsider the organizations' basic strategy when an unexpected or sudden event occurs. Pearce and Robinson (2011) recommend that special alert controls are better achieved during the implementation of the strategy. These controls are key in assuring better organizational performance as evidenced by earlier studies. This recommendation is affirmed by a study done by Ogechi (2016) that found that organizational controls positively influence the performance of micro and small enterprises in Kenya.

3.1.4 Implementation controls

Implementation controls include the evaluation of programs, plans, programs, and projects to check if they guide the organization towards the achievement of the outlined organizational objectives. These controls aim at checking the process of implementing activities. It involves checking if each project or action is taking place as per plan and if funds and proper resources are being apportioned for each stage. This process questions on a continuous basis, the basic direction of the strategy to make sure it is right. Strategic implementation control is designed to evaluate if the overall strategy should change in view of events that are unfolding and results associated with incremental actions and steps that implement the overall strategy. It assesses whether the results of the overall strategy are associated with incremental actions and steps. Implementation controls involve monitoring strategic thrust or projects and reviewing milestones (Rai, 2020).

A review of strategic planning milestones is likely to identify key points in the process of implementation. The monitoring of implementation has a place in strengthening the performance of an organization. A study by Olaka (2017) revealed that establishing balanced organizational controls in an organization significantly influenced the implementation of strategy among commercial banks in Kenya. Therefore, organizations that have effective monitoring controls are most likely to implement organizational strategy well which leads to better financial sustainability.

3.2 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 that 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 organization's capacity to raise funds locally or raise its revenue and reduce dependence on foreign support but still meet its defined goals (Lewis, 2011).

From the major elements that have a significant bearing on the financial sustainability of a non-profit organization, this study adopts 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 chooses 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). Sanusi and Mustapha (2015) in their study found out that systems of internal controls were positively significant for good financial accountability in the local government area council in Nigeria.

4. Methodology

4.1 Philosophy and Design

This research was built on the positivist approach. The study used descriptive research design which allowed the researcher to construct a suitable profile of accurate and complete information about the characteristics of an event, community, population, or situation (Nassaji, 2015). The design also helped the researcher to describe the characteristics and data about the population under study to comprehend the nature of association among the study variables (Yin, 2017).

4.2 Research Population

The target population for this study was 198 top-level leaders of faith-based organizations affiliated to Wycliffe Global Alliance in Africa. These were top-level leaders comprising directors, heads of departments, and heads of units. The unit of analysis for this study was 18

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faith-based organizations that were affiliated to Wycliffe Global Alliance in Africa. To be assured of a representative nature of the target population and to ensure the study objective was attained, the researcher did a census of the target population (Cohen et al., 2011).

4.3 Research Data

For this study, primary data obtained from directors, heads of departments, and heads of units were used. A structured questionnaire was used in this research for the collection of primary data (Kabir, 2016). The questionnaire gathered demographic information on the respondents, balanced organizational controls, and financial sustainability in the organization (Creswell, 2015). The research tool had a five-point likert scale with strongly agree on one end of the continuum and strongly disagree on the other end. The mid-point 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).

In this study, the data collected was checked by the researcher to ensure all expected responses reflected expectations and also to check for any inconsistent or false information (Nanda et al., 2013). The data was then coded and tabulated, then using Statistical Package for Social Sciences (SPSS) version 27, descriptive and inferential statistics were worked out. In descriptive statistics, frequencies, percentages, means and standard deviations were used. Inferential statistics included the use of multiple linear regression analyses. Hypotheses testing was carried out using multiple regression. F-tests were interpreted at 5% significance level.

5. Results

5.1 Response Rate

This study had a target to collect primary data from 198 respondents and from all the questionnaires distributed 150 questionnaires were completed and submitted through google forms as presented in the table below.

Table 1: Response Rate

Target Population	Responded	Response Rate
198	150	75.8%

Source: Research Data (2021)

5.2 Respondents Characteristics

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).

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A greater proportion of the respondents were male as indicated by 76.7% (115) of the respondents, while 23.3% (35) were female. This finding revealed 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 favor the leadership of men in comparison to women (Tadros, 2010; United Nations Environment Programme, 2018).

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% have served for between 3 and 5 years, while 9.3 % have worked between 1 and 3 years with the least proportion of 5.3% having worked for less than 1 year. With 76.7% having worked for 5 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 5 years, the leaders who responded had sufficient knowledge about their organizations and therefore the information they provided was reliable.

The study found that regarding respondents' 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 in Africa had attained the basic education necessary to understand the questions and thus provided credible information. The higher the education level of respondents as noted in this study agrees with the study done by King and McGrath (2002) which revealed that education level was a key factor considered by organizations when appointing leaders in the current environment which is constantly fluctuating.

5.3 Level of Adoption of Balanced Organizational Controls

The respondents were asked to choose whether they strongly disagreed, disagreed, were undecided or neutral, agreed or strongly agreed that balanced organizational controls were being exercised in the organization they currently served. 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 results of the responses are summarized in table 2 below.

Table 2 Descriptive Analysis for Balanced Organizational Controls

	SD Freq. %	D Freq. %	N Freq. %	A Freq. %	SA Freq. %	Total Mean	SD
Monitoring Controls:							
Performance and its components are measured in the organization	2 1.3%	8 5.3%	24 16.0%	90 60.0%	26 17.3%	3.87	0.808
Performance results are used for rewards and corrective action	5 3.3%	12 8.0%	42 28.0%	78 52.0%	13 8.7%	3.55	0.887
Sub aggregate: Mean/Standard deviation						3.71	0.848
Premise Controls:							
Assumptions are formulated based on organizational environment	1 0.7%	4 2.7%	36 24.0%	75 50.0%	34 22.7%	3.91	0.794
Continuous and systematic monitoring of organization environment	2 1.3%	8 5.3%	40 26.7%	83 55.3%	17 11.3%	3.70	0.792
Anticipate changes in events and trends likely to affect goals	3 2.0%	4 2.7%	40 26.7%	76 50.7%	27 18.0%	3.80	0.835
Sub aggregate: Mean/Standard deviation						3.80	0.807
Special Alert Controls:							
Identify strategic risks and their potential impact early	2 1.3%	10 6.7%	38 25.3%	77 51.3%	23 15.3%	3.73	0.851
Develops a set of actions to manage possible issues and risks	1 0.7%	4 2.7%	32 21.3%	87 58.0%	26 17.3%	3.89	0.738
Identify events that may lead to a crisis by monitoring its environment	3 2.0%	3 2.0%	29 19.3%	88 58.7%	27 18.0%	3.89	0.790
A team that develops needed plans, actions, tools, and techniques	5 3.3%	13 8.7%	38 25.3%	63 42.0%	31 20.7%	3.68	1.005
Sub aggregate: Mean/Standard deviation						3.79	0.846
Implementation Controls:							
Operational plans and the activities informed strategic plan	0 0%	1 0.7%	21 14.0%	76 50.7%	52 34.7%	4.19	0.692
Conducts milestone reviews to check progress made on plans	1 0.7%	3 2.0%	27 18.0%	75 50.0%	44 29.3%	4.05	0.784
Sub aggregate: Mean/Standard deviation						4.12	0.738
Aggregate: Mean/Standard deviation						3.85	0.809

Source: Research Data (2021)

The results in table 2 above show an aggregate mean response of 3.71 for monitoring controls, 3.80 for premise controls, 3.79 for special alert controls, and 4.15 for implementation controls. The aggregate mean score for balanced organizational controls was 3.85. 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 that the respondents agreed that balanced organizational controls were 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.

5.4 Degree of Financial Sustainability of Faith-based Organizations

The respondents were asked to rate the level of financial sustainability in their organizations by choosing either strongly disagreed, disagreed, undecided, neutral, agreed, or strongly agreed to various measures of financial sustainability in a non-profit organization. The results of the responses are presented in table 3 below.

Table 3 Descriptive Analysis for Financial Sustainability

The financial sustainability level of the organization	Number of Items	Total Mean	SD
Income Diversification			
Sub variable aggregate: Mean/Standard deviation	7	4.23	0.849
Donor Relationship Management: Sub variable aggregate: Mean/Standard deviation	7	4.32	0.710
Financial Management Systems: Sub variable aggregate: Mean/Standard deviation	8	4.42	0.717
Aggregate: Mean/Standard deviation		4.33	0.753

Source: Research Data (2021)

The above results show a mean average response of 4.33 for financial sustainability. The mean and standard deviation for the components of financial sustainability were as follows; income diversification 4.23 and 0.849, donor relationship management 4.32 and 0.710 and financial management systems 4.42 and 0.717. This revealed a moderately high level of financial sustainability being practiced among organizations affiliated to Wycliffe Global Alliance in Africa.

5.5 Effect of Level of Adoption of Organizational Controls on Financial Sustainability

Inferential statistics were used by the researcher to describe the nature of the relationship that existed between balanced organizational controls 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 et al. (2012).

The inferential analysis method used for this research was multiple regression analysis (Cooper & Schindlers, 2014). The computed scores were used to check the nature of the relationship and the level of influence between balanced organizational controls (independent variables), and financial sustainability (dependent variable) in faith-based organizations affiliated to Wycliffe Global Alliance in Africa.

The relationship between balanced organizational controls and financial sustainability was tested using multiple regression analysis and the analysis results are shown in the table below.

Table 4: Multiple Regression Coefficients for Balanced Organizational Controls and Financial Sustainability.

Model Summary:

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.623[a]	0.388	0.383	0.32224	0.388	90.377	4	571	0.001

a. Predictors: (Constant), Monitoring controls, Premise controls, Special alert controls, Implementation controls

ANOVA:

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	37.537	4	9.384	90.377	.001[b]
	Residual	59.309	571	0.104		
	Total	96.846	575			

a. Dependent Variable: Financial Sustainability
b. Predictors: (Constant), Monitoring controls, Premise controls, Special alert controls, Implementation controls

Coefficients:

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.474	0.093		26.693	0.001
	Monitoring Controls	0.073	0.025	0.130	2.853	0.004
	Premise Controls	0.152	0.034	0.252	4.412	0.001
	Alert Controls	0.074	0.030	0.124	2.446	0.015
	Implementation Controls	0.135	0.029	0.216	4.585	0.01

a. Dependent Variable: Financial Sustainability

Source: Research Data (2021)

The R-value of 0.623 which reveals a strong positive correlation between organizational controls and financial sustainability (Cooper & Schindler, 2014). The adjusted R^2 value of 0.383 indicates that 38.3% of the variation in financial sustainability (dependent variable) was explained by organizational controls (monitoring, premise, alert, and implementation controls) which are the independent variables for the study. The remaining 69.7% of the variation in financial sustainability was due to other variables not covered by the study.

The ANOVA results indicated a p-value lower than 0.05 which means that the regression relationship was significant in predicting how organizational controls (monitoring, premise, alert, and implementation controls) affect the financial sustainability of organizations that are affiliated to the Wycliffe Global Alliance in Africa. Since the F statistic of 90.377 is more than the critical F value (4,571) 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 describe the mathematical relationship between the dependent variable and each independent variable. The p-values for the coefficients indicate that these relationships are statistically significant (Kumari & Yadav, 2018).

Based on coefficients table, taking all factors (monitoring, premise, alert, and implementation controls) constant at zero, financial sustainability is 2.474. There will be; a 0.130, 0.252, 0.124, and 0.216 change in financial sustainability when there is a unit change in monitoring controls, premise controls, special alert controls, and implementation controls respectively. Balanced organizational controls were found to be significant in predicting the financial sustainability of organizations that are affiliated to Wycliffe Global Alliance in Africa since they had p-values higher than 0.05 (Sekaran & Bougie, 2016). The study, therefore, concluded that monitoring, premise, special alert, and implementation controls have a significant positive effect on the financial sustainability of faith-based organizations. The study conducted by Kwamensa (2016), Ogechi (2016) and Kitonga (2017) also established a positive correlation between balanced organizational controls and organizational performance.

6. Discussion

This study sought to assess the effect of establishing balanced organizational controls on the financial sustainability of faith-based organizations affiliated to Wycliffe Global Alliance in Africa. The descriptive statistics on balanced organizational controls indicated a mean of 3.84 for balanced organizational controls which meant 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 were; using performance results for rewards and corrective action, putting in place a team in the organization that can respond to crises and evaluates organizational direction, and continuously and systematically monitoring the organization environment to ensure assumptions made are valid. The descriptive results on financial sustainability revealed a mean average response of 4.33. This also revealed a moderately high level of financial sustainability being practiced among organizations affiliated to Wycliffe Global Alliance in Africa.

The multiple regression results showed that establishing balanced organizational controls has 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 aligns with the strategic leadership theory postulated by House and Baetz (1979). 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 the continued existence of the organization. In particular balanced organizational controls assure that the 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 the empirical review, the finding that establishing balanced organizational controls has a significant positive effect on financial sustainability agrees 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 of the relationship between balanced organizational controls and financial sustainability of faith-based organizations.

7. Conclusions

Establishing balanced organizational controls has a significant positive effect on the 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 operational plans and activities are informed by the organizations 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.

8. Recommendations

To improve on establishing balanced organizational controls, faith-based organizations affiliated to Wycliffe Global Alliance should focus their attention on balanced organizational control elements that were rated low by respondents namely; using performance results for rewards and corrective action, putting in place a team in the organization that develops needed plans, techniques, tools, and actions to provide responses to crises and assess the organizational direction and continuously and systematically monitors the organization environment to ensure assumptions made are valid (Hitt et al., 2014; Ireland et al., 2013; Kaplan & Norton, 2001).

To strengthen financial sustainability, faith-based organizations should focus on improving income diversification which was rated lowest among the three indicators of financial sustainability. Some of the key elements of financial sustainability which were rated low included; lower level of subsidies from the government and donors, organization 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).

Areas for Further Research

The study findings were limited to faith-based organizations affiliated to Wycliffe Global Alliance in Africa and only focused on one of the six strategic leadership practices identified by Ireland and Hitt (2005). The researcher proposes that more research be done to check the effect of other strategic leadership practices identified by Ireland and Hitt (2005) that were not covered by this study.

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