A STUDY OF THE EFFECTS OF ACCOUNTABILITY, TRANSPARENCY & GOOD LEADERSHIP TO THE SUCCESS OF ZIMBABWE CHURCH ADMINISTRATED BUSINESSES: A MULTI-CASE STUDY.

By

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ABSTRACT

The Church is widely regarded as a non profit making organization which does not make substantial incomes and very few people would want to find out what really transpires in a church. Although churches are spiritual organizations whose main aim is the propagation of the gospel, they handle huge volumes of cash and influence a lot of business activities through their various social and economic interventions in the community like income generating projects, building of schools and professional colleges, leadership training and their modes of operation are slowly conforming to business models found in the corporate world.

Christians complain about lack of accountability, transparency and good leadership in churches claiming that churches collect a lot of money from believers, but its use is not adequately being accounted for and there is little transparency in the handling of cash. Churches are shying away from public scrutiny and leadership in churches is comfortable with being partially accountable to senior pastors ignoring parishioners who contribute to finance the operations of the churches. Accountability, transparency and good leadership instills confidence in believers which enables them to joyfully contribute money to successfully fund the business operations of the church. Accountability and transparency plug out the vices of corruption and financial embezzlement and believers demand an accountable and transparent leadership.

This research is inductive in nature and looked at the data on accountability, transparency and good leadership first before generalizing on the effect these variables have on the success of church run businesses. Case studies were used as a research strategy and a telephone administrated questionnaire was employed as the data collection instrument. The qualitative results were presented and analyzed before coming up with conclusions and recommendations of policy measures and legal frameworks that can be put in place to promote accountability, transparency and good leadership to prop up the success of church administrated businesses.
The completion of this dissertation research was made possible through the help of friends and relatives. My sincere gratitude goes to my supervisor Mr. J. Kuhudzayi for his guidance. Special mention also goes to the Graduate School of Management Staff who provided timely advice and support.
DEDICATION

To my wife Portia and my two beautiful daughters Amen Anita and Shekinah “Mashello” Masimba, you are a continual source of inspiration and encouragement. Thank you very much.
DECLARATION

I, Lovemore Masimba, do hereby declare that this dissertation is the result of my own investigation and research, except to the extent indicated in the acknowledgements, references and by comments included in the body of the report, and that it has not been submitted in part or in full for any other degree to any other university.

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CHAPTER ONE

1. INTRODUCTION
The church has been traditionally viewed as a religious institution which has no bearing on business. However, the church is becoming more and more involved in business and commercial activities like formation of companies, building church run schools and medical centers, and music recording companies among other things. In order for these commercial ventures to be successful, there is need for church leadership to be well conversant with best practices of accountability, transparency and good leadership which is obtaining in the corporate world.

Although issues of accountability, transparency, and good leadership have been in existence from time immemorial, little attention has been given to the ecclesiastical order on the way business is administered in by the church. The traditional areas of accountability, transparency and good leadership in the church were focused on moral uprightness of leaders at the expense of financial management accountability and transparency. The point of difficulty is the fact that in Zimbabwe, there is no legal framework which seeks to regulate the running of the church as an entity which has business operations under its armpits. There is so much outcry from parishioners who complain of lack of accountability and transparency in the church and lack of protection from ravenous church leaders who are lurking around to pounce on unsuspecting believer’s money. This has resulted in the drying up of the sources of funding for the church as parishioners are unwilling to make pledges, bring their tithes, give huge offerings and donating to the church fearing abuse of the funds.

Leadership is the art of winning the commitment of people’s hearts towards achievement of a given common goal. Corporate governance is the broad term used to refer to issues of leadership, accountability and transparency. Coyle (2003) said corporate governance relates to how the powers are shared and exercised by different groups to ensure that the objectives of an organization are attained. Distribution of power to various groups enables transparency and the organization will have checks and balances on the abuse of power by certain individuals and also to monitor efficiency
and effectiveness of the organization towards the achievement of the organization’s objectives. In other words, corporate governance is a systematic framework of rules, relationships or process by which organizations are directed and controlled. It is based on the principle that organizations are accountable for their actions and therefore broad-based systems of accountability need to be built into the governance structures of organizations. According to Coyle (2003), where there is good leadership, transparency and accountability, rights and responsibilities are shared by different stakeholders and there should be a clearly defined structure.

Leadership in the church has for quite sometime not paid attention to academic qualifications which automatically entails one’s appreciation of corporate governance issues since they considered the core business of the church to be spiritual. The appointment to leadership positions has been primarily based on the calling of God to preach the word and manifestation of certain gifts like healing and prophecy. However, for any organization to be successful, it is imperative for it to have transparent and accountable leadership which exercises good corporate governance. Corporate governance is at the core of any successful strategy to turnaround the fortunes of any organization. It is therefore important that church administered business should put in place measures that enable smooth running of business.

This research aims to identify accountability, transparency and leadership issues in church administered business and how it affects the successful running of that business. It will offer recommendations that could possibly change how churches administer their businesses. The research seeks to come up with various policy measures that could be put in place by the church to improve on transparency and accountability in church as a business. A good case study of the church which has business operations under its armpit is from the Hill Song Church Ltd (www.myhillsong.com/corporate-governance)
1.1 Success Story - Hill Song Church Ltd.

Hill Song Church is an Australian registered church and it has put in place a structural framework which promotes good corporate governance and leadership transparency. The church has a board of directors and a general manager called George Aghajanian who is a university graduate and has worked at senior management level in the corporate world which brings a strong balance of faith and business application in his role. Its governance policies are based on the Australian Stock Exchange principles of good corporate governance and best practice recommendations, together with adherence to foundational biblical values. Even though it is not required by law, it makes disclosure statements in the interests of good corporate governance and recognition of its financial and social responsibilities. The structural framework put in place is as follows;

1.1.1 Sources of Revenue

Although it is a not for profit organization, Hill Song Church carries some profit making business activities to supplement its revenue. The revenue base is from the following areas

(a) Facilities hire

The church has state of the art facilities that it hires out and these facilities include a 300 seater chapel hired for weddings, and other significant family events in the community. The church also has a convention centre with a 3,500 seat auditorium, large meeting hall, college lecture theatres, Sunday school rooms, and children day care centre all available for hire. This is quite a business on its own which sustains the operations of the church.

(b) Healthcare Services

The church has a Health Centre that was established with an aim to provide quality health care to the community. The centre cares for people by providing health services through a team of highly qualified and professional medical practitioners, psychologists and counselors. Although the fees charged are relatively low, they still provide a flow of income.
(c) Music and Art Recordings

The church has a live band the Hillsong which records songs sold the world over and since 1992; the band has released 42 albums raking a substantial income in the process. The band is hired to perform at functions and also holds live concerts as they tour the world around performing their songs just like any musical outfit would do. The church currently has a plan to build an Arts Centre and the state of the art facility will be a tremendous building at Norwest, equipped with the latest television and music studio facilities, providing much-needed expansion for church college classes and music rehearsals. Community musical tuition and performances will also be based from there and the centre will also enable expansion in media and international influence through the worship ministry.

(d) Sale of books and Christian literature

The church sells bibles, books written by the founders and other Christian leaders, CDs and DVDs of Hillsong conferences earning income in the process.

(e) Tithes

This represents 10% contributions of church members’ gross income.

(f) Offerings

These are freewill monetary contributions by church members and there is no ceiling or floors on the amount given.

(g) Donations

A donation is a monetary contribution by a person who is not part of the church congregation, who has been touched by the plight of the church or who wants to partner the vision of the leaders of the church. On its website, the church has a provision for someone to make an online donation to the church.

1.1.2 Governance (Leadership) Issues

(a) Board of directors

The board is responsible for leadership of the church as well as financial and spiritual oversight. It focuses in crafting new strategies and values as well as reviewing them. It approves and monitors capital expenditure, setting remuneration policies, establishing
and monitoring the achievement of management’s goals and ensuring the integrity of internal controls and management of information systems. These directors have a duty to question, request information, and raise any issue confronting the church and vote on any resolution according to their own judgment. The board has a chairman, and other members who have both pastoral and business backgrounds so as to offer a wide range of expertise, skills and experience. The board has subcommittees given as

(i) Operations which review operational performance,
(ii) Audit which reviews monthly and annual reports and also external audit results
(iii) Remuneration which determines the overall remuneration strategy, terms of employment including recruitment, retention and termination policies.

Board membership is renewable after every 12 months. The board has delegated responsibility for operation and administration of Hillsong church to the executive management.

(b) Access to information
Each director has the right to access all the relevant information and to Hillsong Church Executives and they may seek independent professional advice from a suitably qualified advisor employed by the church.

(c) Remuneration of board members
Directors serve in voluntary capacity therefore there is no motivation for cash. Remuneration given to executive directors is in respect of their executive duties. There is no relationship between packages executive directors receive and financial performance of the church because the church is not a profit making organization.

(d) Ethical standards and values
The Church has set the biblical values as its highest form of ethical standards. Employees have a code of conduct which is included in the employment contracts. The board reviews the mission statement and values of the organization to ensure that the practices of the Hillsong Church are in line with its objectives.
(e) Conflict of Interest
Any actual or potential conflict of interest and all related party transactions must be fully disclosed and approved by the applicable respective boards.

(f) Occupational Health & Safety
The church has a moral and legal responsibility to provide a safe and healthy work environment for employees.

1.1.3 Lessons Learnt
Although churches are not profit making organizations, they embark on profit making ventures which earn them income to supplement their traditional sources of income. There is therefore need for churches to have proper administration of these businesses since they are vital to the survival and sustenance of the church. If churches have properly well defined structures, they avoid a situation whereby a single individual has unfettered powers to control the whole organization. Dominance of the organization by a single individual leads to embezzlement of funds and corruption. Defined structures promote transparency, accountability and good leadership which promote the success of the business administrated by the church. Accountability, transparency and good leadership promotes trust and confidence which is critical in a church administration as people can only release cash if they have confidence in the utilization of the money. The capital money to fund businesses operated by the church come from the contributions made by believers and in some cases the same believers will support that business by buying the its product on offer. The willingness of believers to fund these income generating projects run by the church is premised on the confidence they have in the accountability, transparency and good leadership of the church.
1.2 BACKGROUND

Naturally, the church collects money from members to fund its operations like church service venue bookings, paying the pastor’s rentals and allowances and social interventions like helping widows and orphans. Due to challenges that members go through, financial resources become limited and the church has to be innovative and engage in business activity to boost its income. In Zimbabwe, the situation was compounded by the economic meltdown where the once highly esteemed economy was thrown into economic turmoil. There was so much political violence with political parties trading accusations of perpetrating the violence. Most countries in the developed world had responded by slapping sanctions on Zimbabwe’s leaders and companies perceived to be having links with or which financially supported the ruling party which worsened the economic situation. As a result, the country experienced shortage of basic goods and commodities. Inflation shot to alarming levels of 231 million percent according to www.reuters.com. Churches were also hard hit by these economic challenges as income sources of tithes and offerings dried up and the church had to be innovative and find ways of surviving under such harsh conditions which included among other things formation of companies, building private schools, and hospitals over and above the traditional ways of raising income.

In Zimbabwe, the Government does not require religious institutions to be registered under an act of parliament although plans have been mulled to register such institutions and enforce a code of conduct because it is concerned with the growing number of churches which lack internal controls. To date, no formal registration process has been put in place. However, religious organizations running schools or medical facilities must register those specific institutions with the appropriate ministry involved in regulating those areas.

There have been widespread media reports of leadership wrangles for example, an Anglican Church wrangle between Bishop Nolbert Kunonga and Bishop Chad Gandiya in Zimbabwe over control of church assets and schools. Transparency by church leaders is questionable as leaders do not want parishioners to find out what they are
doing with church funds. The dissertation seeks to establish and educate concerned parish members on existence of accountability, transparency and good leadership issues which protect the church from church leaders who manipulate and take advantage of them. The dissertation will also make recommendations to government and church leaders on how to improve leadership, accountability and transparency issues to promote the success of church run businesses.

The church must play a pivotal role in the development of any society. This comes through infrastructural development, building health centers and education facilities, promotion of good moral values, spiritual counseling, promoting education, helping the economically marginalized, and grooming of morally and spiritually upright political, economic and social leaders. These functions can only be effectively executed when the church itself is properly functional.

Some respondents alleged that despite parishioners making sacrificial giving every year, some churches do not even own a single property and all the money is lined into the pockets of leaders who send their children to expensive private schools abroad at the expense of local development. These same leaders build themselves mansions and buy expensive cars whilst the church has no buildings to conduct services and in most cases parishioners have to brave the chill weather as services are conducted in the open. Very few churches are involved in building of schools or starting of income generating projects.

The churches have various sources of funds to raise their income. Indeed churches are classified under non profit making organizations, and they are exempted from paying tax to the government. The sources of income may be listed as follows;

(a) Freewill offerings
These are funds which parishioners give freely in church services. There are no specific objectives stated when the money is collected and there is no target set on individuals.
(b) Tithes
Tithe refers to a tenth of one’s gross income which is brought into the church. This doctrine is derived from the bible in Leviticus 27:30-33 and Deuteronomy 14:22 which states that a person must tithe on the increase that they receive from their productive efforts.

(c) Donations
Donations refer to money given by well wishers and usually it is in form of goods which the church would then dispose and get cash. This money of donations is given outside church services.

(d) Pledges
With pledges, a church would have a specific need for cash or material goods. Church members are asked to make financial contributions towards meeting the financial costs of the need. In some cases targets are set.

(e) Business activities
The church may start business enterprises in a way to supplement its revenue collections from the members. Some churches form companies, schools and colleges or just income generating projects to augment cash received from offerings.

(f) Fundraising programs
The church may organize concerts or fundraising shows where people would pay entrance fees to watch or enjoy events taking place. These activities include musical shows featuring celebrated musicians, sell of books and Christian literature.

(g) Subscriptions
Some churches make members to make annual contributions subscribing to a given group within the church as a way of raising money.
1.3 PROBLEM STATEMENT
Interviewed Christians are complaining about lack of accountability, transparency and good leadership in churches. Christians claim that churches collect a lot of money from believers, but its use is not adequately being accounted for and there is little transparency in the handling of cash which has resulted in church business plans failing to start or the started business fail as a result of inadequate funding as believers withhold funding. Believers allege that funds are channeled towards personal use by the leadership at the expense of church business development. Some churches are still renting out church service venues despite collections of huge amounts of funds towards purchase of buildings and starting of income generating projects.

1.4 RESEARCH QUESTIONS
The research focused on addressing the following main question:

- What is the degree of accountability; transparency and good leadership in church run businesses?

The dissertation also addressed the following questions:

- What are the effects of accountability, transparency and good leadership on the success of church administrated business?
- What measures and legal frameworks that can be put in place to promote accountability, transparency and good leadership?

1.5 RESEARCH OBJECTIVES
The main objective of this research was:

- To promote accountability, transparency and good leadership in church administrated businesses.

The dissertation also aimed to:

- To promote the success of church administrated businesses.
- To come up with policy recommendations that will encourage the church to be effective in business administration and promote growth which has a positive impact on the community.
1.6 JUSTIFICATION OF RESEARCH

This dissertation shows the paramount role played by the church in economic development through its business activities and nurturing leaders with spiritually and morally upright values. The church started missionary schools like Kutama Mission where our president R. G. Mugabe attended his primary education. Churches are not required to register under the Companies Act and as a result there is no regulation which compels churches to make financial disclosures or to make the financial information public. Although other business ventures the church might engage in like running schools, and hospitals are regulated with respective acts of parliament and monitored by responsible line ministries, they are treated as private institutions which do not require financial information disclosures yet the church is a public entity.

Church run businesses should in a way be treated like banks which although they might be privately owned, but because they handle public funds, they are mandated to publish their financial information for the benefit of the transacting members of the public. Policies should be formulated to promote transparency and accountability in church run business and educate parishioners about their legal rights and ways to protect themselves from abusive leaders who are bent on swindling them of their hard earned cash. The dissertation seeks to promote accountability, transparency and good leadership churches in order to have success of businesses run by the church.

The dissertation seeks also to influence church leaders to set up accountable and transparent systems with well laid procedures to help them conduct the daily affairs of church administrated businesses. The research appeals to church leadership to observe the letter and the spirit of their constitutions as opposed to a situation whereby churches just draft constitutions as a mere measure to fulfill requirements for registration of properties, registration of marriage officers and opening of bank accounts. By so doing, leaders will not ride roughshod over the will of parishioners and discourages leadership from making outrageous demands for their money.
There is no tangible development in some churches in terms of buying stands, building churches and business projects despite the churches collecting huge amounts of money from members. During the missionary periods, churches would build schools, colleges, sponsor education of disadvantaged pupils, care for orphans and elderly, but in most cases these roles are now a thing of the past. One wonders where the money collected day in and day out is going. The church must play its role of bearing the torch for people to see the light of Christ in every facet of life.

Every year there are reports of infighting in the church with leaders fighting for control of church assets and in some cases personalizing the assets. For example, the Anglican Church was embroiled in a bitter battle for the control of assets with reported fist fights amongst both church leaders and parishioners in spite of the existence of a constitution stating procedures to be followed if one decides to quit the service of the church. Apart from this example, there are simmering battles in most churches about these issues of control with aggrieved leaders instituting legal action or breaking away to form their own churches.

1.7 RESEARCH PROPOSITION
The research proposition states that success in church administrated business is dependent upon accountability, transparency and good leadership in the church.

1.8 SCOPE OF RESEARCH
The research will focus on the period from January 2009 to December 2012. The main areas under consideration will be;

1.8.1 Accountability
The research assesses whether church Leaders are accountable for their actions and examines whether leaders must take full responsibility for their actions irrespective of their positions in the church. There are situations where sacred cows are created and the leaders do not want to be questioned, and a culture of entitlement is creeping into the church.
1.8.2 Transparency
The research seeks to explore the level of transparency in financial management. Financial management looks at the existence of budgets, allocation of resources to various arms of the church, existence of controls over cash receipts or disbursements and financial reports. The research investigates the level of information disclosure in handling of finances and how open the leaders are with the information. The church must not create a mystery when it comes to financial issues and members of the church must know how the church handles the finances. The research will explore ways which can be employed to enhance transparency.

1.8.3 Leadership
The dissertation seeks to define leadership, its roles and benefits towards the people. This research would look at the criterion used to appoint leaders in churches and the reporting structures in the churches. It would make a critical analysis at the reflection of good corporate governance in the structures of the churches.

1.8.4 Success of church administered businesses
Success of church business is dependent upon the level of accountability, transparency and leadership of that church. Success of a business is measured by profitability and for the church as a non profit making organization success will be measured by having a surplus on the income and expenditure statement. Success is also evident through growth of the capital base of businesses, geographical expansion of the existing businesses and acquisition or building of new structures.

1.9 CHAPTER SUMMARY
The chapter introduced the thrust of the dissertation which is to investigate the extent of accountability, transparency and nature of leadership in church run businesses. It gave a brief history of the background information which generated interest in the research on leadership and transparency in the church administered business stating the problem which inspired the research. The dissertation outlined the underlying question of whether accountability, transparency and good leadership exist in churches and the
extent to which they affect the success of church administrated businesses. The chapter also put across the objectives of the research dissertation chief among them being promotion of accountability, transparency and good leadership to spur success of church owned business. As it dissected through the topic, the chapter sought to justify why it is necessary to carry out a research in this area. The next chapter will look at literature review.
CHAPTER TWO

LITERATURE REVIEW

2.1 DEFINITION OF LITERATURE REVIEW

The definition of literature review was given by Saunders (2009) as a description and critical analysis of what other authors have written and there is need to focus on the research question and objectives. This was supported by Cooper (2003) who said literature review is the examination of recent (or historical significant) research studies, company data or industry reports that act as a basis for the proposed study. Saunders (2009) proposes that the literature review should reflect current thinking as far as possible. Literature review discusses related literature and relevant secondary data from a comprehensive perspective, moving to more specific studies that are associated with the problem. Literature review makes reference to the original source of data. It must emphasize on the important results and conclusions of other studies explaining the need for the proposed work to appraise the shortcomings and/or informational gaps in the secondary data sources. Dooley (2004) further contends that literature review must look at available data which addresses the research question and it must seek to establish facts that can be agreed upon and suggesting new explanations to reconcile the conflict. Taylor (2008) said literature review is an account of what has been published on a topic by accredited scholars and researchers. Literature review must be defined by a guiding concept such as research objectives and problem statement.

This chapter reviews literature relating to leadership, accountability and transparency from a business perspective. Theories and concepts of leadership and transparency are discussed and this will form the basis on which the research findings will be discussed. The chapter investigates the extent to which church business administration is responding to this global phenomenon on leadership, accountability and transparency for the benefit of the nation.
2.2 LEADERSHIP, ACCOUNTABILITY AND TRANSPARENCY PROBLEM

Leadership guru Dr. John C. Maxwell (2007) in his introduction of the Leadership Bible says “the most critical problem facing the church today is the leadership vacuum” and went on to quote church expert George Barna who said, “Leadership remains one of the glaring needs of the church. People are often willing to follow God’s vision, but too frequently they have no exposure to either vision or true leadership.” Koestenbaum (2002) stated that the ultimate aim of leadership’s incremental moves and political sensitivities is to translate vision into reality. T. Ray Rachels (2003) points out that the single most effective strategy for building public confidence in organizational church life is accountability. Without openness and transparency that provides disclosure of decisions and actions, a pastoral leader invites suspicion and mistrust. One of the important ways to build trust is to have good church governance through accountability, transparency and good leadership.

2.3 UNDERLYING THEORY

Saunders (2009) identifies a literature review which explores data and develops a theory from the data as an inductive approach. This research literature review explores data and seeks to develop a theory on whether success of church administrated business is premised or dependent on accountability, transparency and good leadership of the church. Gill (2002) defined a theory as “a formulation regarding the cause and effect relationships between two or more variables which may or may not have been tested.” Sutton (1995) suggests that a good theory must include a plausible, coherent, explanation for why certain relationships should be expected in the collected data. John Wacker (1998) said the definition of a theory should directly be tied to the necessary four componentsof a theory namely, definitions of terms or variables, a domain where thetheory applies, a set of relationships of variables,and specific predictionsfactual claims. Theories must carefully outline the precise definitions in a specificdomain to explain why and how the relationships are logically tied so that the theory gives specific predictions.
2.3.1 THE DOMAIN: CHURCH AND BUSINESS ENVIRONMENT

2.3.1.1 The Church Domain

Grudem (1994) defined the church first by examining the following scriptures, Romans 16:5 which reads, “greet also the church in their house” and I Corinthians 16:19 which says Prisca and Aquila together with the Church in their house”, and further asserts that worshippers who live in a region are referred to as the church and cites Acts 9:31 which reads “So the church throughout all Judea and Galilee and Samaria had peace and was built up” and finally suggest that worshippers throughout the world can be referred to as the church by citing Ephesians 5:25 which reads “Christ loved the church and gave himself up for her.” From the above definitions he concluded to say that the group of God’s people considered at any level from local to universal may rightly be called “a church.”

Eddie Gibbs (2005) said “The local church is a community of regenerated believers who confess Jesus Christ as Lord. In obedience to Scripture they organize under qualified leadership, gather regularly for preaching and worship, observe the biblical sacraments of baptism and Communion, are unified by the Spirit, are disciplined for holiness, and scatter to fulfill the Great Commandment and the Great Commission as missionaries to the world for God’s glory and their joy.” Powers (2008) went on to define the church as a community of persons who are whole heartedly committed to do what God wants on earth, and its functions are worship, proclamation, education, ministry and fellowship. This definition is echoed by another incisive definition given by Accurate and Reliable Dictionary (2004) which defines a church as a body of Christian believers holding the same creed, observing the same rites, and acknowledging the same ecclesiastical authority. The above definitions suggest a gathering or coming together of people and whenever people gather, there are financial transactions which occur and there requires financial management and administration of business.

2.3.1.2 The Business Environment domain

The Economist Journal (2005) notes that some churches now have every amenity one can imagine, from food courts to basketball courts, from cafes to video screens, among
other things which gives a slice of the corporate world. Mcnaughton (1960) defined business as the exchange of goods and money or services for mutual benefit. He went on to say that whenever one exchanges goods or services for money, they are performing a business transaction. Eugene (1980) concurs by saying, “A business is a commercial or industrial enterprise owned and organized to buy, sell, manufacture or provide products or services to society for profit.” Samuel Certo et al (1990) argue that the purpose and objectives of business is to serve the public at a profit. A business provides specific goods or services that will satisfy human needs and wants.

2.3.1.3 Relationship between Church and Business

Bruce Powers (2008), asserts that the church is to be a community of persons who are wholeheartedly committed to do what God wants on earth, and its vision is to propagate the gospel and its mission is to achieve its vision. This definition suggests that church and business should not mix. Olson (2011) supports this view by saying that the church was never intended by Christ to be a business in the modern, capitalist, consumer-oriented sense. In her book “The Misunderstanding of the Church”, Brunner (2002) argued that the church should be “fellowship” rather than “institution.” The institutional side of the church should be its “outer side” driven and determined by its “inner side” which should be the fellowship. If churches drift toward the business model, it may become the case to the loss of many things essential to being Kingdom of God driven communities.

However, Tim Schraeder (2010) gives a different view when he argues that the church in a way is a business because churches employ people, and operate on budgets and therefore the church needs professional business people in areas that act like a business. Schraeder goes on to point out that church leaders give an excuse that a church must not be like a business too frequently as an excuse to be unprofessional, work inefficiently, and do things that no other business or organization would get away with doing. The bible in Acts Chapter 6 suggests that the apostles chose deacons to do the administrative business side of the church whilst they concentrate on preaching which was the core of their calling. What it means is that the church has some
segments which are business oriented and they have to be dealt with in a proper business way.

2.4 THE VARIABLES: ACCOUNTABILITY, TRANSPARENCY, LEADERSHIP AND SUCCESS OF CHURCH ADMINISTRATED BUSINESS.

Katrina Korb (2012) defined a variable as a characteristic or attribute of an individual, group, educational system or the environment that is of interest in a research study. The variables of this research dissertation are accountability, transparency, good leadership and the success of church owned businesses. Saunders (2009) distinguished variables in terms of the relationships which exist between variables which are dependent variables and independent variables. A dependent variable changes in response to changes in other variables and an independent variable causes changes in a dependent variable. For purposes of this research, accountability, transparency and good leadership are independent variables which affect the success of church administrated businesses which is the dependent variable.

2.4.1 Accountability: Independent variable

Carrington (2008) said that holding organizations accountable means to ensure that their internal policies and procedures are lawful and reflect the best interests of its stakeholders, and the organization acts according to its particular governance arrangement. This view was supported by Ray Rachels (2003) who pointed out that a church congregation needs to be accountable to its constitution and bylaws. The constitution provides a structure for responsible accountability for everyone within the organization. The foundation of accountability is uniform governance standard to which everyone must conform to. Crankshaw (1998) suggests that, “managers of churches must properly account for the financial condition, results of operations, and especially cash flows of the church to the governing board, the congregation, and other interested stakeholders. Even in the absence of government regulations, generally accepted accounting principles (GAAP) should be followed in order to provide assurance that the organization’s funds are handled appropriately”.

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Samuel C. Certo (1990) postulates that accountability is the management philosophy of holding individuals liable or accountable for how well they use their authority and how well they live up to their responsibility. In another complementing definition, Coyle (2003) described accountability as the requirement for a person in a position of responsibility to justify, explain or account for the excise of his or her authority and his/her performance or actions. Accountability is to the person or persons from whom authority the authority is derived. Church leadership must in turn be accountable to its funding sources on which it depends for survival. These contributors or funding sources invest their funds to support the mission of the organization and their continued support depends on their perception of the accountability of the organization. It therefore follows that accountability is the acknowledgment and assumption of responsibility for actions, products, decisions, and policies including the administration, governance, and implementation within the scope of the role or employment position and encompassing the obligation to report, explain and be answerable for resulting consequences. According to Raymond (2007) churches must put up internal controls and have a system of reporting to the general public on the affairs of the organization. Affairs of the organizations must be audited to flush out scandals of embezzlement.

Lucky and Olusegun (2012) explained business policy as a guideline developed by an organization to govern its actions and assigns boundaries to decision making thereby making church workers accountable. It provides power to anybody in the business to make a decision without consultations of senior management. A business policy has essential business rules. In their research, Lucky and Olusegun actually established that business policy is a key component of business success. This business policy ensures that there is accountability in the organisation.

### 2.4.1.1 Measuring accountability through corporate governance

The existence of corporate governance structures ensures that accountability is exercised. Gabrielle O'Donovan (2003) defined corporate governance as 'an internal system encompassing policies, processes and people, which serves the needs of shareholders and other stakeholders, by directing and controlling management activities
with good business savvy, objectivity, accountability and integrity. This was backed by Stephanie Maier (2005) who defined corporate governance as a framework by which companies are directed and controlled i.e. the setting of corporate objectives and the monitoring of performance against these objectives. He goes on to elucidate that corporate governance is the practice of setting up good organizational structures, defining roles and responsibilities, establishing procedures and processes and systems which ensure that agents run organizations in a transparent, ethical and accountable manner a position supported by Coyle (2003).

Corporate governance makes an effort to reconcile the competing claims and interests of various stakeholders. It is a practice which seeks to avoid a situation described by Dick Iverson (1984) as running the church like a “commander in chief” with all decision making centered on one person. Iverson goes on to explain that there is need to accept plurality in leadership which benefits the running of church institutions. The same definition of corporate governance shared above is supported by the corporate governance “bible” or guideline which is the Combined Code. To ensure accountability, the combined code recommends that the organization must be run by a board of directors and Colley (2004) augments that by saying an organization must be run with a board of directors which prevents a situation where an individual has unfettered power over the organization. In support of it, The Combined Code (2002) went on to say that the board must ensure balance of power in the control of the organization. It must set up the vision, mission, objectives, systems and procedures of the organization. It is responsible for the success of the organization. Appointments to the board must ensure independence.

2.4.2 Transparency: Independent Variable
A compelling definition of transparency was given by Jones (2003) who defined transparency as the ability of all stakeholders in a system to see everything, making it easy to discover ways to create value. This was supported by Coyle (2003) who said that transparency refers to the outcomes that are reached or decisions that are made as
a result of clear and visible procedures or processes. He further stated that in the context of company reporting, transparency refers to information that makes clear the position and performance of the company and the way in which the information has been derived.

Cardinal Bagnasco (2011) said transparency in financial handling is one of the key to the churches' credibility and a source of joy to believers who can track where their charity money is going and transparency refers to not only highlighting honesty and correctness but a clear administration of assets that can be verified by all. Bauch (2004) went on to say that transparency seeks to provide people with a clear understanding of different aspects of the current system performance and status, giving them feedback of performed activities and helping in making decisions, letting them recognize interdependencies, and, as a result, enabling higher levels of improvements. Kings report (2002) adds its voice by referring to transparency in an organization as a system which allows an outsider to be able to meaningfully analyze the organization’s performance with ease.

The IMF Interim Committee Report (1999) defined transparency with reference to an environment in which the objectives of policy, its legal, institutional, and economic framework, policy decisions and their rationale, data and information related to monetary and financial policies, and the terms of agencies' accountability, are provided to the public on an understandable, accessible and timely basis. Because the leaders’ actions are laid bare through transparency, it naturally becomes inevitable not to make the leaders accountable for their actions.

2.4.2.1 Measuring Transparency

Transparency is manifested in the existence of safeguards. The World Trade Organization reference paper (2006) gave the following safeguards as to show existence of transparency.
(i) Auditing
Loebbecke (1988) argues that a transparent organization must have some auditing framework. He went on to define auditing as the process by which a competent, independent person accumulates and evaluates evidence about quantifiable information related to specific economic entity for the purpose of determining reporting on the degree of correspondence between the quantifiable information and established criteria.

(ii) A well defined structure
Coyle (2003) argues that organizations must have a well defined structure which clearly specifies the duties, responsibilities, rights and obligations of people. This enables stakeholders to know people responsible for certain activities and to make them accountable for their actions. The combined code (2002) also states that a defined structure helps to prevent a single individual from having unfettered powers in the organization. A person must stick to his duties and responsibilities without overstepping their mandate. This acts as a control on fraudulent activities.

(iii) Compliance with legal and regulatory provisions
Volpe (1980) said that for any action to be legal it must be recognized and enforceable by the law. He goes on to say “a valid contract cannot come into existence if the agreement is unlawful. Christie (1985) further argues to say that all contracts must be legally acceptable. The World Trade Organisation Paper (2006) says that an organization must ensure that the decisions of an organisation are subject to review by the courts or some other non-political entity although some “threshold” should be established to deter frivolous challenges that simply delay the implementation of decisions.

(iv) Information disclosure
Organisations which seek to promote transparency in their operations must publish financial reports and disclose sensitive information which has a significant effect on the stakeholders. Information capital expenditure and revenue must not be a preserve of a selected few.
Loebbecke (1988) said that a transparent organization must have procedures for proper record keeping clearly spelt out in a procedure manual to encourage consistent application. These manuals should provide sufficient information to facilitate adequate record keeping and maintenance of proper control of assets. Kleiman (2005) went on to say each employee must be fully aware of the company’s policies and be aware of the consequences of violating them. This information must be conveyed during orientation training and contained in the employee handbooks. Cushway (2001) went on to say it is a legal requirement for employers to make known to employees any disciplinary rules applying to them and to give the name of any person to whom they may take any grievance.

2.4.3 Leadership: Independent Variable
Leadership involves leaders and in order to come up with a conclusive definition of leadership, there is need to define the leader first.

2.4.3.1 The leader
A compelling definition of a leader was given by Montgomery (1961) as “one who can be looked up to, whose personal judgment is trusted, who can inspire and warm the hearts of those he leads, gaining their trust and confidence and explaining what is needed in a language which can be understood.” This was supported by Koontz (2004) who defined a leader as someone with the art of influencing people so that they will strive willingly and enthusiastically toward the achievement of group goals. Nahavandi (2000) went deeper to say that leaders have long term and future oriented perspectives and provide a vision for their followers that look beyond their immediate surroundings. Roberson (2010) said, “Leaders are those people who bring order to chaos, justice where it is lacking, fairness, equality and action.” He went on to point out that leaders produce change and in some cases they emerge as a result of a crisis and they steer people out of it. Leaders produce the change through people they inspire with well crafted visions. Leaders paint a future which is so glorious and demonstrate to people that it is a reality that is not beyond reach and inspire them to reach it. The power of
leadership to shape lives and to change cultures, businesses, society and governments knows no boundaries.

From these definitions it can be inferred that a leader is someone who influences the actions of others towards the achievement of a set goal. The goal might have originated from him, or it might be given to him by his principals. Leaders are shaped through study, experiences and coaching.

2.4.3.2 Leadership

Leadership was described by Chemers (2002) as the “process of social influence in which one person can enlist the aid, and support of others in the accomplishment of a common task.” This view is shared by Banard (1939) who described leadership as the ability of a superior to influence the behavior of a subordinate or group and persuade them to follow a particular course of action. The notion is further supported by Burnes (2004) who said that leadership is the process of establishing goals and motivating others to pursue and achieve these goals. Gellerman (1994) concurs by saying that leadership is a positive personal influence on the job performance of the people who report directly to them.

2.4.3.3 Measures of good leadership.

(i) Setting of the vision.

Burnes (2004) described a vision as the view of the organization’s desired future state. Useem (2001) went on to say that leadership is at its best when the vision is strategic, the voice persuasive and the results are tangible. What it means is that a leader must be a visionary who sets the vision and influences people to buy into the vision and make it their common objective. In order to achieve their visions, leaders apply their leadership attributes, such as beliefs, values, ethics, character, knowledge and skills.

(ii) Good communication

Robbins (2001) says that leaders must be good at communicating to the organizational stakeholders. He cites communication as a tool for controlling, emotional expression,
motivation and passing on information. Lin (2009) said good leaders must be very good at orating and speaking and extremely well-versed in public speaking and they can influence and inspire people with the things that they say. In order for one to effectively communicate issues at hand, a leader must be well versed with the subject matter.

(iii) Discipline
Borthwick (1989) said that the “world needs leaders who cannot be bought; whose word is their promise; who put character above wealth.” Lin (2009) contends that good leaders are extremely disciplined in pursuit of their goals. They should not be easily distracted or discouraged and they must discipline their flesh to keep focused and to keep steady despite the circumstances. Borthwick (1989) went on to say that they should not lose their individuality in a crowd and they should never compromise their principled stance at any given point in time.

(iv) Passionate for work
Good leadership must demonstrate great zeal towards achievement of the set objectives as Lin (2009) says that good leadership is usually extremely passionate in whatever they're doing. Even King David one of the greatest leaders of all times was passionate about doing the work of God as cited in Psalm 69:9 “Passion for your house has consumed me, and the insults of those who insult you have fallen on me.” Marquet (2009) said “good leaders are devoted and committed to completing the tasks at hand. No matter how early in the morning or late at night it may be, good leaders are committed to meeting deadlines”.

(v) Leadership must have wisdom
Collins Dictionary (2003) said wisdom is the ability or result of an ability to think and act utilizing knowledge, experience, understanding, common sense, and insight. Lin (2009) postulates that good leaders are wise and discerning. This is so because many times they need to make crucial decisions at various points in their assignments and wisdom to make the right decision is extremely important in ensuring the success of the organization.
(vi) Integrity of character
Borthwick (1989) said leaders must be honest in small things as well as in great things and should not compromise with wrong. Lin (2009) went on to say that good leaders mean what they say, and they say what they mean. They are people who keep their promises and they donot play the two-faced political game that a lot of others do. As such, people find them trustworthy and they give their commitment to these leaders as a result. Even the bible sums it up in Proverbs 29:2 “when the righteous are in authority, the people rejoice; but when a wicked man rules, the people groan.” This implies that good leadership is appreciated by the people and it is their source of pride and joy.

(vii) Have compassion.
Aust (2008) said that good leadership is honorable, fair, compassionate and merciful to others. He emphasized that greatest leaders are characterized not by wielding great power, but by humility and service to those they lead. They must seek to restore a person who went astray rather than write him off and reach beyond the physical needs of their followers to help them even if they hate him. Lin (2009) support this view by saying that good leadership has compassion for the followers and while they understand that they have a goal to pursue, they constantly look back and care for the people that are following them. They are not selfish people who only think about their own needs and luxuries; they also have a heart for the people under them as well. The bible sums it up on Galatians 6:1 saying “Dear brothers and sisters, if another believer is overcome by some sin, you who are godly should gently and humbly help that person back onto the right path”.

(viii) Charismatic
Yin (2009) argues that good leadership attracts people through its shining personalities. It could be through the way they speak, or the excellence they demand from people.

D’Alessandro (2008) said that leadership is the ability to persuade others to pursue an objective and must not be confused with status, although a leader does have status. It is not power, or propaganda or manipulation, or coercion or pandering. A manager with
structural authority may not be a good leader. Leadership certainly entails more than keeping the accounts straight or directing people. It is leadership which is responsible for resource mobilization and channeling those resources towards achievement of the stated objectives be they financial resources, material resources or human resources among other things. The success of church administrated business is largely dependent on the leadership’s ability to mobilize resources and effectively and efficiently utilize them to achieve the desired result which is the success of business.

2.4.4 Business success: Dependent Variable

Lucky and Olusegun (2012) defined a successful business as one that produces a very acceptable return on the assets employed. In other words the bottom line is the profit. Elateafrica (2013) defined business success as the realization of a worthy intention and a business becomes successful each time when it takes a step towards achieving a predetermined goal, objective or target. For example a business can be said to be successful if it is expanding its market share and increasing its profits. The success of a business is largely dependent on other factors like accountability of workers as agents, transparency of the system to instill confidence in the stakeholders and the leadership quality amongst a host of other factors. Churches rely on parish members to raise funds for capital projects. inorder for churches to successfully raise their funds, they must run an accountable and transparent system which instills confidence in members. Cardinal Bagnasco (2011) said the success of donations to the church depends on transparency which is the ability of those who contribute to track the use of the money.

2.4.4.1 Measures of Business Success

According to Michael Maubousisin (2012) business success refers to the attainment of the main business objective which is to make a profit. In further agreement to Maubousisi, Lucky and Olusegun (2012) said that there is no doubt that the major purpose of setting up a business is to make profit, achieve success and ensure continuous existence. Changing Minds (2012), defined a successful business as one which is positioned to keep on running well without depending on the owner to be in daily attendance. For the purposes of this study, business success will be viewed in
three dimensions which is producing an acceptable return on assets employed through posting of profits, continuing in existence and independence from parishioners as a source of funding.

2.5 CASE STUDIES AS A RESEARCH METHOD.

2.5.1 Definition of a case study
Thomas (2011) defined a case study as an analysis of “persons, events, decisions, periods, projects, policies, institutions or other systems that are studied holistically by one or more methods.” This definition was supported by Yin (1994) who defined a case study research method “as an empirical inquiry that investigates a contemporary phenomenon within its real-life context; when the boundaries between phenomenon and context are not clearly evident; and in which multiple sources of evidence are used”.

2.5.2 Willow Creek Community Church as a Case Study
The church attracts attendance of over 23000 thousand people per service and started with Bill Hybels’ vision of having a church which gives out to the poor, and mobilizes resources for equitable distribution with the needy of the society. It gets donations from those moved to give and distribute them to the society’s less privileged. However in the process, it has developed some business activities to sustain its operations from the profit it earns and also from sale of some of the donated items. It has a defined structure which is given as follows,

(i) The Board
The church is led by a plurality of Godly leaders and relies on consensual agreement of Godly Elders selected from the congregation which creates a healthy checks and balances of leadership direction, financial accountability, spiritual guidance and ministry implementation.

(ii) Teaching pastors
The church has a group of teaching personnel who are ordained pastors who only concentrates with the preaching of the word and spiritual matters of the church.
(iii) Employment
Willow Creek Church sees itself as an employing organization and on their website they wrote under employment, that the church puts a priority on attracting, developing and maintaining a fantastic staff at its workplace. It employs teachers who teach in the church’s children day care centre, system administrators, youth pastors, print and web designers. It is much more business oriented.

(iv) Mission Statement
The church has a mission statement which reads; “Willow Creek exists to turn irreligious people into fully devoted followers of Jesus Christ.”

(v) Business Facilities
The church has a 60,000 square foot USD10m care centre in South Barrington Illinois which offers grocery stores - styled food pantry, dental and optometry clinics, car repair and donation services, legal assistance among other things. The church provides food and clothing for the poor at a small fee called donation. It also gets donations of old vehicles, repairs them and donates them to single mothers.

2.5.3 Lessons from Willow Creek Church Case
2.5.3.1 Business Activities
Although the church mainly focuses on soul winning and reaching out to the community through philanthropical acts, it needs money to sustain its operations and that money can be earned through commercial activities although the church charges less money. The success of its business entities hinges upon maintenance of high standards of leadership, accountability and transparency.

2.5.3.2 Leadership
Willow Creek church has a well defined structure which conforms to corporate governance structures. The leadership is visionary and has put systems in place which promotes checks and balance. The leadership is able to motivate followers, which is the reason why they have managed to achieve such great strides in terms of high service
attendance of over 23000 people per service. The leadership is charismatic and attracts a huge following and because people are happy with the leadership, they financially support the leadership to pursue the church business objectives and fund the projects.

2.5.3.3 Accountability
The existence of structures and separation of duties together with accounting procedures allows individuals to be accountable for their actions. Every person in the organization is accountable to the system including the senior pastor who is a member of the board. As a result, parishioners are confident that they are not being manipulated and gladly contribute money to fund the business activities of the church.

2.5.3.4 Transparency
The operations of the organization are transparent that is the reason why people keep donating to the church on that magnitude. If people generally view the organization as full of greedy manipulators, they would not be donating their money, goods and service. Transparency motivates people to keep supporting the project as long as people judge the church to be consistent with the set objectives.

2.6 CONCEPTUAL FRAMEWORK (LITERATURE SYNTHESIS)
Smyth (2004) defined conceptual framework as a tool structured from a set of broad ideas and theories that help a researcher to properly identify the problem they are looking at, frame their questions and find suitable literature. The conceptual framework helps the research to clarify research questions and objectives and guides the literature review. John Wacker (1998) said a theory is composed of the three major elements which are the domain, the independent variables and depended variables and the concept of independent and dependent variables is what Gill (2002) regards as the cause (independent) and effect (dependent) relationships between two or more variables. To clearly portray this relationship between variables, the research will employ the use of the Fishbone Cause and Effect diagram to analyze the effects of accountability, transparency and good leadership on success of church administrated businesses as shown in the diagram below;
The Fishbone Diagram was pioneered by Kaoru Ishikawa in 1943. The diagram above shows a modified diagram with the independent variables of accountability, transparency and good leadership which are causes as the fins of the fish and the dependent variable of business success which is the resulting outcome of accountability, transparency and good leadership as the effect as depicted in the diagram above. The following conceptual framework has been guiding this research;

2.6.1 Variables of the study

2.6.1.1 Accountability, Transparency and Good Leadership: Independent Variables

Accountability, transparency and good leadership are the causes determining the success of church administrated business. A profit making business project must always run on professional business principles rather than to operate on faith. It must
have a business plan, budgets, objectives, and organizational structures which follow good corporate governance practices of accountability, transparency and good leadership. The church must employ business leaders qualified to lead the projects the church run. Lack of education and proper training will result in failure of the business. Leadership of church administrated business must not be appointed based on their faith and loyalty to the church only, but they must have proven business acumen. They should be able to perform all the leadership roles and functions and have a full appreciation of the business environment. The leadership must be accountable and transparent.

2.6.1.2 Business Success: Dependent Variable
The success of church administrated business is anchored on factors such as accountability, transparency and good leadership. These factors immensely contribute towards the confidence and trust that people have in the running of the church and they will contribute more money to meet the objectives of the church and provide the requisite capital to start the business projects. Rather than wait for the traditional means of raising funds like offerings and tithes, the churches are now proactive and run profit making business ventures to supplement the income which come from parishioners. Once a church is running a successful business venture its income will not be affected by a sudden fall in the offerings and tithes due to economic and political challenges.

2.7 THE EXPLORED GAPS
According to Saunders (2009), there are basically two types of gaps which are relevance gap and research-practice gap.

2.7.1 Relevance gap
Relevance gap is a consequence of the separation of knowledge producers from knowledge users as advocated by Tranfield and Denyer (2004). The schism created by the separation was labeled by Starkey and Madan (2001) as the relevance gap. The leaders in the church who produce the financial data and are also its custodians are unwilling to release that information to researchers and reporters who use that
information resulting in the literature relevance gap of the available information. The information obtainable about churches is not relevant for the purposes of this research.

2.7.2 Research – practice gap
Research – practice gap was defined by Rousseau (2006) as the failure of organizations and managers to base their practices on best available evidence. From the literature explorations, it is quite clear that leadership in the church does not want to conform to normal business practice in leadership citing the fact that they are a spiritual church whose aim and focus is to fulfill the spiritual need not the business needs of the communities. This philosophy has influenced churches in that they do not want to conform to standard laid down and well researched business practices of accountability transparency and good leadership which ultimately contribute towards the success of the businesses. In most cases church leaders are comfortable with keeping secrets of the church transactions thereby reducing transparency and accountability. Failure by leadership to follow best practices and corporate governance gives birth to corruption and manipulation of systems causing organizational failure.

2.8 Chapter Summary
The chapter made a review of literature which defines the church and business environment as the domain, leadership, accountability and transparency as the independent variable responsible for the success in church administrated business as the dependent variable. The literature review revealed that accountability, transparency and good leadership contribute towards the success of church administrated business. It also looked at corporate governance which is an essential element of good leadership and the benefits it brings to the organization and the leaders. Corporate governance encourages transparency and use of laid down policy and procedures which seek to reconcile the competing interests of the agents and the organization. The chapter went on to come up with a conceptual framework which is a synthesis of the theoretical framework and the actual practice in churches. The next chapter looks at the methodology.
CHAPTER THREE

RESEARCH METHODOLOGY

3.1 DEFINITION OF RESEARCH METHODOLOGY

Methodology was described by Saunders (2009) as a term which refers to the theory of how research should be undertaken and Ghauri (2005) concurs by defining methodology as a process of finding out things in a systematic way thereby increasing knowledge. He states that the phrase “systematic way” suggests that the research is based on logical relationships and not just beliefs and the phrase “find out things” suggests there are multiple possible purposes for the research which include among other things describing, explaining, understanding, criticizing and analyzing.

In order to meet the required standards outlined above, the research methodology has been structured starting with a recap of the problem statement, a recap of the objectives of the study, a review of the methodological framework, how the research has been designed, data analysis, the validity of the data and the conclusion.

3.2 Problem Statement

Interviewed Christians are complaining about lack of accountability, transparency and good leadership in churches. Christians claim that churches collect a lot of money from believers, but its use is not adequately being accounted for and there is little transparency in the handling of cash which has resulted in church business plans failing to start or the started business fail as a result of inadequate funding as believers withhold funding. Believers allege that funds are channeled towards personal use by the leadership at the expense of church business development. Some churches are still renting out church service venues despite collections of huge amounts of funds towards purchase of buildings and starting of income generating projects.
3.3 Study Objectives
The research sought to achieve the following objectives:

- To promote accountability, transparency and good leadership in church administrated businesses.
- To promote the success of church administrated businesses.
- Come up with policy recommendations that will encourage the church to be effective in business administration and promote growth which has a positive impact on the community.

3.4 Methodological Framework
According to Saunders (2009), a methodological framework can be defined as structural outline of the theory of how research should be undertaken and this dissertation took the following outline;

3.4.1 Major Research Question
The main question guiding the research was “What is the degree of accountability, transparency and good leadership in church run businesses, and what are the effects of these variables on the success businesses administrated by the church?”

3.4.2 The Research Proposition
Cooper (1998) defined a proposition as a statement about the concepts that may be judged as true or false if it refers to observable phenomena. This research because of its qualitative nature chose to use a proposition stated as follows;

“Success in church run business is dependent on accountability, transparency and good leadership”.

3.4.3 Major variables under study
According to Shuttleworth (2008), the research variables of any research process are factors that can be manipulated and measured. Saunders (2009) divided variables into groups, that is to say dependent variables and independent variables. In this research
success in businesses administrated by churches is viewed as a variable dependent upon accountability, transparency and good leadership in the churches represented by the equation below;

Accountability + Transparency + Good leadership = Business Success.

3.4.3.1 Independent variables
Saunders (2009) defined an independent variable as a variable responsible for changes in a dependent variable. This research considers accountability, transparency and good leadership as independent variables which contribute towards success in business.

Accountability
Accountability is to the persons to whom authority is derived. Church leadership must account for the exercise of their authority and actions in all financial transaction they undertake to the members of the congregation. Church leadership should acknowledge, and assume responsibility for actions, products, decisions and policies including governance. Their accountability was measured by adherence to laid down procedures and systems used to measure performance and to determine correctness of decisions. Lack of accountability breeds corruption and financial embezzlement of funds resulting in business failure.

Transparency
It is the clarity and visibility of clear procedures and processes of the organization. All church stakeholders must be able to see everything happening in the church administrated businesses. Transparency lays bare actions taken by leaders and makes it easy for external people to be able to make meaningful analysis of the church administrated businesses. This entails reporting of information on the financial position and non financial issues like clearly defined objectives and visions. A transparent system instills confidence in stakeholders and minimizes losses through theft promoting the growth and profitability of businesses administrated by the churches.

Leadership
Leadership refers to the art of social influence whereby the leaders enlist the cooperation of others in the accomplishment of a stated common objective. Church
leadership should have the capacity to persuade others to pursue an objective. Leadership in church administrated businesses was measured by the setting of vision, objectives, achievement of the set objective. Good leadership is very instrumental to business success.

3.4.3.2 Dependent variable
Saunders (2009) defined a dependent variable as a variable which will change as a result of changes in other variables. For the purposes of this research, success in business is viewed as dependent on factors like accountability, transparency and good leadership.

Success of church administrated businesses
The success of church owned businesses is as a result of good leadership, accountability and transparency in its administrative systems. Parishioners will gladly contribute their money where they see that the money is being used for set objectives and the leadership is accountable and transparent. Continued operation of business is also a form of success because the objective of remaining in business will have been met.

3.4.4 Research Assumptions
The definition of research assumptions was satisfactorily given by Dr. Dusick (2011) who referred to assumptions as statements by the researcher that certain elements of the research are understood to be true. This dissertation research made the following assumptions;

3.4.4.1 The participants
The research assumed that the participants are representative of the entire population, and they were willing to participate in the study giving honest and unbiased responses.

3.4.4.2 Generalisability of results
The study assumed that the results are generalisable beyond the sample being studied and the results will be relevant to stakeholders and that the result will be meaningful.
3.4.4.3 Theoretical framework
The research assumed that the foundation of the study is sound and the theoretical framework is assumed to be an accurate reflection of the effects of accountability, transparency and good leadership on the success of church administrated businesses.

3.4.4.4 The phenomena
The research assumed that the effects of accountability, transparency and good leadership on the success of church run businesses has been clearly defined and measurable and also that the variables have been clearly defined. Success was measured by continued business operations, profitability, geographical expansion, property acquisitions and building new structures.

3.4.4.5 The instrument
The research assumed that the instrument used is reliable and valid to measure accountability, transparency, good leadership and success of church administrated businesses.

3.4.5 Research Limitations
According to Saunders (2009) there are constraints one will inevitably have when carrying out a research and he gave examples of access to data, time and location. Dusick (2011) argues that limitations are elements of research which the researcher has little or no control over. In carrying out the study, the researcher met some challenges which threatened the successful completion of the study and these challenges are given as follows;

3.4.5.1 Information Asymmetry
The research faced a challenge of unavailability of information as most churches treat their information as strictly private and confidential. Most of the senior pastors were reportedly unavailable and sometimes were shielded from having an interview with the researcher by their protective subordinates. The researcher had to settle for interviews with a church administrator, diocesan secretary and employees of the organizations.
3.4.5.2 Time Limitations
The respondents took their time to grant telephone interviews based on the questionnaire submitted and the research faced a challenge in that data was compiled before some of the prospective respondents were not interviewed as the targeted respondents gave interview dates which fell out of the dissertation submission dates. The researcher had to find alternative respondents within the organization who supplied the information although they had limited disclosure powers.

3.4.5.3 Church owned businesses Literature deficiency
Very little has been written about church businesses in Zimbabwe. The information readily available is about the moral transparency and adulterous affairs in churches with little focus on businesses. When the press writes, it is about tithes and offerings only leaving out the business aspect. The researcher relied heavily on the internet for western literature on church business activities.

3.5. THE RESEARCH DESIGN
Saunders (2009) referred to the research design as the general plan on how the research will go about answering the research question(s). The way how research questions are asked determine the nature of the answers and the answers are classified as either descriptive, or exploratory. The questions suggest the purpose of the research which will then be classified as either descriptive or exploratory. The research question “What is the effect of accountability, transparency and good leadership on success of church administrated businesses?” is more of a descriptive nature.

3.5.1 Descriptive Design
Robson (2002) points out that the aim of a descriptive research is to portray an accurate profile of persons, events and situations. The type of research focuses on answering the, who, what, when, where and how questions related to the research problem. It unravels information about the current status of phenomena and describes the prevailing conditions with regard to the variables. Accurate description of these conditions helped in policy formulation recommendations. This research aimed to give a
descriptive profile of the effect of accountability, transparency and good leadership towards the success of church administrated business accurately.

3.5.2 RESEARCH APPROACH
Saunders (2009) in quoting Easterby-Smith et al (2008) notes that research approach is the overall configuration of a piece of research involving questions about what kind of evidence is gathered from where and how such evidence is interpreted in order to provide good answers to the initial research questions. By nature, this research is qualitative and is based on findings and observations before coming up with a generalized statement which suits the Inductive Research approach.

3.5.2.1 Inductive research Approach
Saunders (2009) argues that unlike the deductive approach which starts with a theory and hypothesis and designs a research strategy to test the hypothesis, the inductive approach emphasizes on collecting and developing a theory as a result of data analysis. Burney (2008) asserts that this approach starts with the specific observations to broader generalizations and theories. It is a bottom up approach where conclusion is likely based on premises as diagrammatically representation below:

Diagram 2: Inductive Research Approach

Source: Burney (2008)
According to Mertens (2008) on inductive research, the researcher uses observed data and facts to reach at tentative hypothesis and define a theory as per the research problem and helps the research to give inductive arguments.

Given the above submissions, the dissertation research moved to gather data from the church operations and sought to gain understanding in the meaning people attach to events happening in church financial management and why church funded projects grow in the manner they do, fail and sometimes they donot even start. It did so through collection of qualitative data using a questionnaire and analysed the data in order to see the pattern of events and came up with a hypothesis and then generalized it into a theory. In the collection of data, the research sought to establish whether the church can be run on accountability, transparency and good leadership principles as the corporate world does. The effect of accountability, transparency and good leadership on business success in church administrated business was of great interest in order to come up with a theory.

3.5.3 RESEARCH STRATEGY

The dissertation adopted the case study as a research strategy. Robson (2002) defines a case study as “a strategy for doing research which involves an empirical investigation of a particular contemporary phenomenon within its real life context using multiple sources of evidence. This was well supported by Schell (1992) who stated that case studies usually take as their principal subject selected examples of a social entity within its normal context. A case study was defined by John Gerring (2004) as “an intensive study of a single unit with an aim to generalize across a larger set of units”. Broomely (1990) further argues that a case study “is a systematic inquiry into an event or a set of related events which aims to describe and explain the phenomenon of interest” The case study is most suitable when it comes to considering the how and why questions, or in cases where the researcher has little influence over events. Yin (2003) postulates that, a case study is an empirical enquiry which investigates a contemporary phenomenon within its real-life context when the boundaries between phenomenon and context are not clearly evident and in which multiple sources of evidence are used.
Saunders (2009) says that a case study strategy may incorporate multiple cases in order to establish whether the findings of the first case occur in the other cases and as a consequence, the need to generalize from these findings. The research looked at case studies of three churches in Zimbabwe which are Celebration Church, Anglican Church and Zimbabwe Assemblies of God in Africa (Z.A.O.G.A.). The common characteristic of interest that was investigated was the degree of accountability, transparency and good leadership and its effect on the success of church administrated businesses.

3.5.4 UNIT OF ANALYSIS
According to Troachim (2006), the unit of analysis refers to the body which is being investigated or who is being described or analyzed. This definition is supported by Babbie (2001) who defined a unit of analysis as the major entity that is being analyzed in the study and essentially something examined in order to create summary descriptions of the unit. In this regard, the church administrated businesses in Zimbabwe are the unity of analysis. This may include such entities as individual people (e.g., christians), or organizations (e.g., churches). The sample studied was derived from the group of churches. Because churches are not individuals, the researcher carefully considered people who could most accurately report on the unit of analysis and that person must have been in a position of authority like the senior pastor or administrator.

3.5.5 QUESTIONNAIRE AS A RESEARCH INSTRUMENT
DeVaus (2002) gave a definition of a questionnaire to mean all techniques of data collection in which each person is asked to respond to the same set of questions in a predetermined order. Saunders (2009) pointed out that a questionnaire must be valid and reliable meaning to say a valid questionnaire enables collection of valid data and reliability means that these data are consistent. Saunders went on to say that a questionnaire includes structured interviews and telephone questionnaires as well as those in which the questions are answered without an interviewer being present, e.g. an online questionnaire. It is Saunders’s considered view that the questionnaire tend to be
used for descriptive research to enable one to identify and describe the variability in different phenomena.

3.5.5.1 Type of questionnaire
Saunders (2009) argues that the design of questionnaire differs according to how it is administered and this research chose to use a **Telephone Questionnaire** where questionnaires are administered using the telephone. Dillman (2007) said the telephone questionnaire has the following attributes;

- It is suitable to individuals who can be telephoned, selected by name, household or organization.
- There is high confidence that the right person has responded.
- There is a high response rate since the questionnaire is answered during the call duration.
- There is room for further probing and clarifying the matter.
- There is enhanced participation of respondents.

3.5.5.2 Advantages of telephone questionnaire
According to Saunders (2009) telephone calls have great advantages in that one can communicate with many participants in a day without being limited by the geographical factors of distance. It is also cost effective in the sense that one does not have to travel for long costly distances and it is associated with speed of data collection. Wagner (1993) states that where physical entry of the interviewer is restricted; the telephone interview will be of paramount importance. Telephone questionnaire gives an allowance to call back and collect additional information. Respondents can remain anonymous and will likely give more complete and honest responses than during face to face oral interviews. People do not view this technique as an invasion of privacy as they do with face to face oral survey methods.

However, Saunders (2009) argues that the method has its own disadvantages because with telephone questionnaires, you lose the opportunity to witness non verbal communication. According to Wagner (1993) the main challenge with telephone calls is
that they can be prematurely terminated. Since the respondents are being asked and expected to answer immediately, this method may not give ample time for the respondent to give a well considered response. One of its worst disadvantages is that a telephone questionnaire does not capture non-verbal expressions. The other thing is that telephone questionnaires discriminate against people without phones and can be easily ignored by the respondent.

3.5.5.3 Constructing the questionnaire
According to Wagner (1994) the questionnaires will have three sections namely

3.5.5.3.1 Administrative section
It will have the administrative part that records the identity of the respondent and the interviewer by name, date, address and place where the interview was carried out.

3.5.5.3.2 Demographic section
This looks at issues like the gender of the respondent, qualification, language, marital status, size of the organization, and position in the organization.

3.5.5.3.3 Information set
This section is mainly concerned with extracting data which addresses the research question and objective in a clearly defined manner. It will avoid ambiguous questions. According to Wagner (1993) a good questionnaire must address the following;

a) A question must be included only if it contributes to the research objectives.
b) Technical jargon must be eliminated to avoid ambiguity.
c) Leading questions must be avoided because they promote biased responses.
d) Questions must be arranged in a logical sequence.
e) Questions must be as short and as simple as possible.
f) A question must address a single issue.
g) Questions on sensitive issues should be carefully worded so as not to offend or encourage non-response. (Dooley 2004)
3.5.5.4 Reliability of a questionnaire
According to Saunders (2009), reliability refers to the consistency in data collection and before a questionnaire is valid it must first be reliable. He went on to argue that reliability is concerned with the robustness of the questionnaire and in particular whether or not it will produce consistent findings at different times and under different conditions such as with different samples and different interviewers. Mitchell (1996) proposes three different ways of assessing reliability namely, test re-test, internal consistency and alternative form. **Test re-test** is accomplished through correlating data collected with those collected from the same questionnaire collected under as near equivalent conditions as possible. The questionnaire needs to be administered twice to respondents. There is a limitation in that respondents may not be interested in answering the same questions twice. **Internal consistency** it encompasses correlating the responses to each question in the questionnaire with those to other questions in the questionnaire. It seeks to measure consistency of responses across either all the questions from the questionnaire. Internal consistency is calculated using Cronbach’s alpha. Mitchell (1996), states that **Alternative form** of assessing reliability is achieved through, comparing responses to alternative forms of the same question, but it poses a challenge in that it is difficult to ensure that questions are substantially equivalent.

3.5.5.5 Validity of a questionnaire
Saunders (2009) says validity in relation to questionnaire refers to the ability of the questionnaire to measure what you intend it to measure. In the purpose of this study, validity of the questionnaire therefore refers to its ability to measure the effect of accountability, transparency and good leadership on the success of church owned businesses. Cooper and Schindler (2008) point out that the validity of the questionnaire refers to content validity, criterion validity and construct validity. Saunders (2009) said **Content validity** refers to the degree to which measurement questions in the questionnaire provides adequate coverage of the investigative questions through using
a panel of individuals to assess whether each measurement question in the questionnaire is essential, useful but not essential, or not necessary. Judgement of what is adequate coverage can be achieved through careful definition of the research through literature reviewed. Saunders (2009) described **Criterion related Validity** as one which is concerned with questions (measures) to make accurate predictions. In this research the measurement questions seek to predict the effects of accountability, transparency and good leadership and the test of the measurement questions’ criterion related validity will be the extend to which they actually predict the effects. According to Saunders (2009) **Construct Validity** refers to the degree the measurement questions actually measure the presence of the constructs they are intended to measure. The term constructs refers to attitude scales, aptitude and personality tests.

### 3.5.5.6 Pilot testing and assessing validity

Saunders (2009) advises that prior to using the questionnaire to collect data, it should be pilot tested and the purpose of the pilot test is to refine the questionnaire so that respondents will have no problems in answering the questions and they will be no problem in recording data. Bells (2005) echo the same sentiments where he said no matter how pressurized the researcher is, one must do their best to give the questionnaire a trial run because that is the only way to know whether the questionnaire will succeed. It helps in assessing the validity of the data that will be collected. In this research, the questionnaire was taken to an expert who is the supervisor and nine other people from the churches to comment on the representativeness and suitability of questionnaire questions in order to establish content validity. The investigator checked on completed questionnaires to ensure that respondents have had no problems understanding or answering the questions and participants gave confidence on the reliability and suitability of the questions.

### 3.5.5.7 Population

Wagner (1993) defined a population as referring to the global grouping of species of homogeneous characteristics and behavior and in this research the population under study is the church in Zimbabwe. However, the church in Zimbabwe is not composed of
just one denomination but many denominations. Given the size of the population and time constraints, it makes sense to break it down into a sample which is representative of the larger population.

### 3.5.5.8 Sample

A sample is a subset of the entire population. Sampling was defined by Dooley (2004) as a way of measuring a small group (sample) in order to draw an inference about the whole. The sample must be representative of all segments of the whole population. Saunders (2009) pointed out that with non probability sampling techniques, samples are not statistically chosen especially with case studies. This dissertation chose convenience sampling which was defined by Saunders (2009) as involving haphazard selection of the cases that are easiest to one’s sample. Thornhill (2003) gave the following reasons why sampling is carried out.

(a) Sampling is done when it would be impractical to survey the entire population like in this case one can not ask every church going person.

(b) Sampling is carried out where there are budgetary constraints.

(c) Sampling is convenient where there are time constraints.

(d) Sampling may be more appropriate where data has been collected and there is need for urgent results.

(e) Sampling is more suitable where one wants to avoid destructive testing e.g. Coca Cola can not test every product it produces but it tests on samples.

The research randomly picked three churches namely Celebration Churches in Zimbabwe, Anglican Church, and Zimbabwe Assemblies of God in Africa (Z.A.O.G.A.)

### 3.6 DATA ANALYSIS

Saunders (2009) data was analyzed based on the research questions and the research hypothesis. The following are the questions and tests applied; what is the relationship between transparency, accountability and good leadership to the success of businesses owned by the church? The research analyzed the correlation to establish and examine the relationship of the variables. The correlation would show the relationship between accountability, transparency and good leadership to the success of church
administrated business. The proposition of the correlation is stated as that success in church administrated business is dependent upon the parishioners’ view of accountability, transparency and good leadership of the church. The significance of the correlation was also be analyzed. The relationship between the variables of the study was critically analyzed.

According to Saunders (2009), due to the qualitative nature of the inductive research, one can opt to use narrative analysis to explore linkages, relationships and socially constructed explanations that naturally occur within narrative accounts. The information is presented using tables, graphs, and charts to enable easy comparison and clear projection of the situation.

3.7 Research Ethics
An interesting definition of ethics was given by Saunders (2009) as the appropriateness of one’s behavior in relation to the rights of those who become the subject of one’s work or are affected by it. This was supported by a well celebrated definition by Cooper and Schindler (2008) who defined ethics as the norms or standards of behavior that guide moral choices about our behavior and our relationships with others.

In a way to safeguard the interests of the participants as stated by Saunders (2009) the general ethical issue is that the research design should not subject the research population to embarrassment, harm or any material disadvantage. The researcher will negotiate and get permission to access data as advocated by Gummerson (2000) rather than to use information obtained unofficially. The research will maintain the confidentiality of data provided by individuals or identifiable participants and their anonymity. The researcher will maintain objectivity during analysis stage to ensure that data collected will not be misrepresented.
3.8 Chapter Summary

The chapter outlined the way how the research has been structured starting with a recap of the problem statement, a recap of the objectives of the study, a review of the methodological framework, how the research has been designed, data collection instrument, data analysis, and how it will ensure validity and reliability of the data. The next chapter will deal with the presentation of findings.
CHAPTER FOUR

RESEARCH FINDINGS AND ANALYSIS

4.1 INTRODUCTION
The dissertation had the task of investigating the effects of accountability, transparency and good leadership to the success of church administrated businesses. The investigation came up with interesting results about the state of accountability, transparency and good leadership on church administrated businesses and the results are presented in the following sections.

4.2 Response Rate
The research used the strategy of case studies and chose a sample of three churches namely; Celebration Church, Z.A.O.G.A. and Anglican Church in Zimbabwe. The instrument used to collect the data was a telephone administered questionnaire and ten respondents were chosen per each church. The people targeted responded favorably and out of ten people telephoned in each church, all of them answered the questionnaire implying a hundred percent response rate.

4.3 Results Presentation and Analysis
4.3.1 Celebration Church
The church was started by Pastor Tom and Bonnie Deuschle in 1979 and operates from its multi million dollar Celebration Centre in Borrowdale Harare Zimbabwe. The church has a board of directors headed by Pastor Tom Deuschle. In July 2011, it employed former Air Zimbabwe head Mr. Peter Chikumba as its Chief Executive Officer who boasts of 35 years working experience in the corporate world. The church now has over 85 churches throughout Africa, Europe, North America and Asia. The church runs a website www.celebrate.org/celebration-churches.

www.celebrate.org/celebration-churches
4.3.1.2 Respondents and their position in church
The researcher approached a total of 10 respondents one from senior management, two from lower level employees and seven members of the congregation. All of them responded which gave a hundred percent response rate.

4.3.1.3 The vision
The church runs with vision “Building people, Building Dreams and Building the Kingdom.” The church does not just aim to develop the believers’ Christian life but it aims at improving their education, health, and welfare.

4.3.1.4 Sources of Income
The church has designed nine categories of giving through which it raises income identified with various names listed as follows,

- First Fruits
- Business Tithe
- Business first fruits
- Personal tithe
- Compassion
- Building fund
- Celebration health
- TV
- Levite tithe.

These offering are supposed to be put in a marked envelop where the giver has to tick the section which they will be giving under and the administration would then issue a receipt based on information supplied on the envelope. Money collected from these forms of giving is used to meet church expenses and also to fund income generating projects.
4.3.1.5 Businesses administrated by the church

To augment its income from giving and donations, the church runs business activities on a profit making basis. The success of the church administrated business is dependent on the believers’ perception of the church’s accountability, transparency and good leadership in order for them to contribute capital money to kick start these income generating projects and their expansion. At its head office in Borrowdale Zimbabwe, the church has the following operations

- **Bookshop**
  The business entity sells books written by Pastor Tom and Bonnie Deuschle and other renowned writers, gospel messages CDs and music among other things.

- **Music Band**
  The church has a music band called Celebration Choir. Although its main purpose is to do praise and worship in church, it records music which is sold and performs on international platforms for a fee.

- **Coffee Shop**
  The church runs a coffee business shop which offers restaurant facilities to the members of the public and church members. Whilst attending functions, or waiting for a function to start, members don’t have to drive to town and buy food they just buy it there.

- **Conference Hire facilities**
  The church rents out its conference facilities to members of the public who will be running workshops, graduation ceremonies, musical concerts and weddings among other events.

- **Celebration learning centre**
  The church boasts of running the only internationally accredited Christian school accredited by International Christian Accrediting Association (ICAA). The college is affiliated to Oral Roberts University, and follows The American A Beka curriculum, which is an established Biblically-based curriculum of high academic
standard. The core subjects are: English, Mathematics, Science, Social Studies and Bible. Art, Music, Physical Education, Life Skills, French and Shona (chिनजु) are also taught. In 2011, Celebration School had building plans drawn up for a state-of-the-art Educational Complex to accommodate 300 students from K4 to Grade 12 and containing science laboratories, art rooms, band, choir and music rooms, drama studios, a magnificent library and multi-media centre, a cafeteria, an all-purpose gymnasium and squash courts. In recent years, Celebration School has established a reputation in the community as an educational centre with an exceptionally high standard of excellence.

The church is run on a professional business basis and employs a number of people from grounds man, receptionists, accountants, administrator, chief executive officer and the board of directors. These workers are qualified personnel some with diplomas’ from reputable tertiary institutions and university degrees.

4.3.1.6 Accountability: Independent Variable

The church has a constitution which the church follows to ensure accountability and avoid a situation whereby people behave in the way they want. The structural set up of corporate governance and leadership ensures that employees of the organization are accountable to their superiors and at the end of the day the superiors are accountable to the board which in turn is supposed to be accountable to the church members.

The church administration respondent revealed that the church prepares income and expenditure statements which it presents at the annual general meeting to the board of directors at the end of the year. Members of the church are free to attend the event. The income statements are audited by the internal auditors and external auditors. The researcher requested for the audited statements since 2009, but the church refused to supply the information. Members of the church expressed suspicion on the accountability of the church and one respondent actually said “there is manipulation at Celebration Church”, because finances are handled strictly private and confidential and
the information is not made readily available to the members. The table below shows management and church members’ response to accountability questions.

Table 4.3.1

<table>
<thead>
<tr>
<th>Questions asked</th>
<th>Number of Respondents</th>
<th>Yes%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Does the church prepare financial statements?</td>
<td>10  0</td>
<td>100%</td>
</tr>
<tr>
<td>Do you distribute statements to parishioners?</td>
<td>1  9</td>
<td>10%</td>
</tr>
<tr>
<td>Is there need to circulate statements to parishioners?</td>
<td>10  0</td>
<td>100%</td>
</tr>
<tr>
<td>Do you think accountability affects your business?</td>
<td>10  0</td>
<td>100%</td>
</tr>
<tr>
<td>Does the Church use funds for the purposes raised?</td>
<td>5  5</td>
<td>50%</td>
</tr>
</tbody>
</table>

Ninety percent of Celebration Church respondents said the church members do not receive financial statements and the church administration respondent is the only one who said they give church members access to the financial statements. The church does not distribute financial statements to parishioners, but the administration claimed that they present the statement at the annual general meeting which any member of the church is free to attend.

All respondents asked concurred that accountability tends to affect the success of church administrated business in the sense that if church members are satisfied that the church is accountable on the use of funds, they will contribute more money therefore increase the capital base of the church administrated business and give room for expansion. Accountability cures the vice of financial embezzlement on the part of employees as agents of the organizations and aligns the interests of the employee to the interests of the organization.

The questionnaire gave a provision for respondents to rate their church’s accountability giving a score ranging from Excellent (5), Very Good (4), Good (3), Poor (2) and Bad (1) and the following were the results.
Table 4.3.2

<table>
<thead>
<tr>
<th>Score</th>
<th>Respondents</th>
<th>Total respondents</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Excellent</td>
<td>1</td>
<td>10</td>
<td>10%</td>
</tr>
<tr>
<td>Very good</td>
<td>2</td>
<td>10</td>
<td>20%</td>
</tr>
<tr>
<td>Good</td>
<td>5</td>
<td>10</td>
<td>50%</td>
</tr>
<tr>
<td>Poor</td>
<td>2</td>
<td>10</td>
<td>20%</td>
</tr>
<tr>
<td>Bad</td>
<td>0</td>
<td>10</td>
<td>0%</td>
</tr>
</tbody>
</table>

**Analysis of Data on Accountability**

More than fifty percent rated accountability to be good which is healthy for that church which is the main reason why people still contribute money which the church is using to fund its income generating projects. The church seems to be practicing partial accountability, evidenced by its failure to circulate the financial statement to the members creating an accountability gap which calls for improvement by increasing accountability through circulation of statements. This could result even in more success than the one the church is enjoying.

**4.3.1.7 Transparency: Independent Variable**

The church administration respondent advised that the system allows every stakeholder to have a full view of what is happening in the church through presentation of accounts. There are laid down working procedures and a code of conduct which ensures that there is no selective application of rules to enhance transparency. The employees advised that there is a works council which briefs employees on what will be happening to the companies. During church services, the church makes announcements to the general members on what will be happening. If there is need for clarity, members can either phone or write an email to the church on info@celebration.org to get clarity on issues.
Respondents were unanimous on the effects of transparency that lack of transparency results in lack of confidence and church members tend to withhold their contributions which are the life blood of the church and choke the breath of operations. Transparency is the key to the success of the church administrated businesses.

Analysis of Data on Transparency
Transparency entails an organization ensuring that it operates with a system that is open to examination and scrutiny by all stakeholders. Certainly by restricting access to the financial statements to board members and senior management deprives the generality of the parishioners of access to information creating a transparency gap in the process. This gives room for speculation and rumours which erodes confidence and trust a harming the successful contribution of members towards achievement of goals of capitalizing the income generating projects.

4.3.1.8 Good leadership: Independent Variable
Respondents expressed satisfaction with the leadership of Celebration church. Whilst the founder of the church was not elected by anyone, but claims to have been called by God to start the church, other leadership positions are by appointments by the senior pastor like the appointment of the Chief executive Officer Mr. Peter Chikumba. The leadership has a well defined hierarchical structure and it administers the business of the church along commercial lines. All respondents asked the question on how they view their leadership said they view it positively. The church trains its leadership through seminars and also facilitating furthering academic qualifications. The church leadership runs with an exciting clear vision of “Building people, Building dreams and Building the Kingdom.” The leaders are adequately trained for the job and also train the workers. When respondents were asked to rate their leadership on a scale ranging from Excellent (5), Very Good (4), Good (3), Poor (2) and Bad (1) their response was as follows;
Table 4.3.3

<table>
<thead>
<tr>
<th></th>
<th>Respondents</th>
<th>Total Respondents</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Excellent</td>
<td>1</td>
<td>10</td>
<td>10%</td>
</tr>
<tr>
<td>Very good</td>
<td>5</td>
<td>10</td>
<td>50%</td>
</tr>
<tr>
<td>Good</td>
<td>4</td>
<td>10</td>
<td>40%</td>
</tr>
<tr>
<td>Poor</td>
<td>0</td>
<td>10</td>
<td>0%</td>
</tr>
<tr>
<td>Bad</td>
<td>0</td>
<td>10</td>
<td>0%</td>
</tr>
</tbody>
</table>

All respondents expressed satisfaction with their leadership which might be the reason why the church has enjoyed the current success in terms of raising capital money to embark on the multi-million dollar projects.

**Analysis of Data on Good Leadership**

The leadership at Celebration Church is captivating and their vision and plans are inspiring. The leadership has demonstrated a desire to build people, build dreams and build the kingdom of God for sure as evidenced by the work on the ground. The number of buildings successfully built and construction works in progress demonstrates the leadership’s achievements and prove that it is a good leadership. The level of education of degrees and diploma in business and technical areas goes a long way to prove that the leadership is not taking the church as limited to worship, but the church should successfully engage in business. This leadership has been the major contributing factor to the success of the church administrated business.

**4.3.1.9 Business Success: Dependent Variable**

The church has grown from leaps and bounce as it successfully built its multi million dollar Celebration center during the 2000 -2004 hyper inflationary period which has conferencing hire facilities. All its other profit making businesses are highly successful thanks to the business best practices employed by the highly professional personnel to ensure that the operating system is accountable, transparent and the leadership creates
an enabling operating environment. No financial figures were made available to ascertain profitability but there is a lot of expansion construction work worth hundreds of thousands of dollars towards building of the school and the international accreditation by ICAA testifies that the church is successful. The church has successfully spread its wings to 85 countries in the whole world an indication that it is generating enough income to support the church from its business activities.

4.3.1.10 The Exposed Gap

The established gap through the information supplied is that the church exercises partial accountability and transparency in that whilst the church advises believers’ on information about activities undertaken by the church; it does not want to give full financial details creating an accountability and transparency gap. The refusal by the church to supply financial information to the researcher is indicative of lack of transparency and this gap will create a relevance gap on the research results because there is no meaningful generalizations which can be made in that area. The church leadership argues that the church should not be treated as a business but their income generating ventures are outreach ventures which assist the church to reach out to the world. This denial of pure facts that the church is deeply involved in business has created a challenge in that the church does not want to have its books scrutinized claiming that they are a private entity yet the parishioners are members of the public who do not own a single share in the businesses and the leadership is not willing to tell them how much the businesses earn.

4.3.2.1 Zimbabwe Assemblies of God Africa (Z.A.O.G.A)

The church was started by Apostle Ezekiel HandinawanguGutiin 1960 and its Head Offices are in Waterfalls Harare. The church runs a website under its international name Forward in Faith Ministries whose address is www.fifmi.org. The church has a National Executive headed by Apostle E. H. Guti and its members are the Secretary General, all Bishops and the National Administrator. Below the national Executive is the national whose membership is made up of the national executive members, provincial
overseers and district pastors. This corporate governance structure oversee the day to day running of business

4.3.2.2 **Respondents and their Church position.**
The researcher approached a total of ten respondents one from senior management, two from lower level employees and seven members of the congregation. All of them responded which gave a hundred percent response rate.

4.3.2.3 **The Vision**
The church runs with vision “We preach Christ centered gospel, followed by signs and wonders.” However each business arm has got its own vision statement for example ZEGU’s vision is “To be a leading research-intensive, globally connected Christian University, producing solution driven, innovative and enterprising graduates”. The University says it takes pride in providing “a conducive learning environment through development of the total person, employing state of the art teaching and learning methods and facilities, creative market driven programs that will satisfy and surpass the needs and expectations of commerce, industry, governments, NGOs and churches”. The church comes up with yearly visions or themes which prepare believers for the environment and challenges of the times and the theme for 2013 is “Year of Personal Revelation and Discernment”. These visions encourage prayer and seeking God. These vision statements motivate believers and challenge them to rise to the occasion in terms of supporting the projects which the church has.

4.3.2.4 **Sources of Income**
The church has designed six categories through which it raises income through giving identified with various names listed as follows,

- First Fruits
- Tithes
- Talents
- Personal tithe
Offerings
TV

The church issues receipts for tithes but there are no receipts for free will offerings

4.3.2.5 Businesses administrated by the church

In way to boost its income and supplement funds raised through various forms of giving and donations, the church runs business activities on a profit making basis. At its head office in Waterfalls Zimbabwe, the church has the following operations

- Bookshop
  The church sells book written by Apostle E.H. Guti and Mai Guti. Apostle Guti who has written a total of 69 books written during the 53 years he spent in ministry. The book shop also sells CDs of sermons preached, bibles and other Christian literature. The money is channeled towards church coffers to support the work of God.

- Africa Multi-Nation for Christ Colleges (AMFC).
  The colleges are enrolling students from various churches to train in theology and they pay tuition which will be channeled to the church. Currently they are charging USD500 per term. The charges are meant to primarily sustain the operations not to rake super profits.

- Zimbabwe Ezekiel Guti University (ZEGU)
  This is a professional university which admits students for a fee and is run on a commercial basis with professionally qualified staff. The money received from the tuition is channeled to fund construction work to increase the facilities. The university construction was funded by women giving known as Talents.

- AmbuyaDorcas Hospital
  This is a health care facility run on a professional for profit business basis admitting sick people and it is administrated by the church.

- The Grange Christian School
  This is a private primary school run by Z.A.O.G.A. and the income is channeled to the church.
There system set up allows for a professional operation of the church in administration of business following best practices. The church is actually in the running of business.

4.3.2.6 Accountability: Independent Variable

Z.A.O.G.A. understands that Christian giving is premised upon accountability and transparency. There is a structural set up of corporate governance and leadership starting with the National Executive led by Arch-Bishop Ezekiel Guti which exercises oversight of the church operations. There is also a constitution and code of conduct for workers in the organizations to ensure accountability. The church prepares income and expenditure statements which it presents to the leaders of the church and there is handbook of finance rules and guidelines which specify finance handling procedures. The income statements are audited by the internal auditors. The researcher requested for financial information for the period 2009 – 2012 and the church was not willing to release such information. On disposal of church assets, the church says it has a procurement and disposal procedure manual which must be adhered to. There church leadership makes an undertaking to ensure that money is used for the purpose it has been raised for and believes that since people dedicate their giving to God, misuse will bring a misfortune and punishment from God. Accountability is both to man and God.

On the side of Strategic Business Units (SBUs), accountability also comes through conformity to the legal requirements of sectors they will be operating in for example ZEGU has to comply with the Education Act and MbuyaDorcas Hospital has to comply with the Health Act. These acts of parliament give provisions and minimum requirements of certain level of qualifications and technical capabilities for someone to operate these institutions.

The researcher administered a telephone questionnaire on ten respondents from the Z.A.O.G.A. church accountability of the church with regards to the businesses which are operated by the church and their responses were as follows;
Table 4.3.4

<table>
<thead>
<tr>
<th>Questions Asked</th>
<th>Number of Respondents</th>
<th>Yes %</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Does the church prepare financial statements?</td>
<td>3</td>
<td>7</td>
</tr>
<tr>
<td>Do you distribute statements to parishioners?</td>
<td>0</td>
<td>10</td>
</tr>
<tr>
<td>Is there need to circulate statements to parishioners?</td>
<td>7</td>
<td>3</td>
</tr>
<tr>
<td>Do you think accountability affects your business?</td>
<td>10</td>
<td>0</td>
</tr>
<tr>
<td>Does the Church use funds for the purposes raised?</td>
<td>10</td>
<td>0</td>
</tr>
</tbody>
</table>

The church members do not even know whether the church prepares financial statement as all respondents of non-leadership constituting seventy percent said it does not prepare financial statements and only leadership respondents constituting thirty percent said it prepares financial statements. The church does not circulate financial statements to its membership as confirmed by leadership and non-leadership respondents. Information on the church’s overall financial position is discussed at top leadership level and information on income from business operations is not shared with general church members but the national executive and the national council.

Respondents were asked to rate the accountability of church leadership on church administrated business on a score of Excellent (5), Very Good (4), Good (3), Poor (2) and Bad (1) and the results were as follows;

Table 4.3.5

<table>
<thead>
<tr>
<th>Rating</th>
<th>Respondents</th>
<th>Total respondents</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Excellent</td>
<td>0</td>
<td>10</td>
<td>0%</td>
</tr>
<tr>
<td>Very good</td>
<td>3</td>
<td>10</td>
<td>30%</td>
</tr>
<tr>
<td>Good</td>
<td>6</td>
<td>10</td>
<td>60%</td>
</tr>
<tr>
<td>Poor</td>
<td>1</td>
<td>10</td>
<td>10%</td>
</tr>
<tr>
<td>Bad</td>
<td>0</td>
<td>10</td>
<td>0%</td>
</tr>
</tbody>
</table>
Analysis of Data on Accountability

The church has a belief that financial accountability is to the senior leaders as shown by the church’s failure to circulate statements to parishioners. The idea that the statements are presented to district leaders who in turn will verbally report to the parishioners has limitations in that parishioners will receive summarized information which does not give full details of the financial transactions. Furthermore, presentation of the financial information will be grossly affected by the leaders’ technical and financial capability to adequately enunciate the financial details and presentation. If he does not have full appreciation, the parishioners will not have a full report. The other thing is that the parishioners will not be in a position to ask questions to the leader presenting the information because he will not be the producer of the information and will just advise the parishioners that he will forward the questions and in most cases the answers will never be provided for since the next time they meet they will be new matters arising. There is an accountability gap which must be covered by full disclosure to every member.

4.3.2.7 Transparency

The church makes announcements of the money raised during services report on resource usage. The corporate governance structures manage the church affairs and ensure that there is accountability and transparency. Financial statements are presented to provincial and district leadership which will in turn announce to the people in various assemblies on the usage of money forwarded to the assembly. The benefits like accommodation, motor vehicles and education of pastors’ children which are awarded to workers and pastors are communicated to the congregation. The leadership administrative respondent advised that the church must never be viewed as if it’s a business because it is not therefore it must not be expected to match the transparency found in secular world. God’s money is not public so financial details must not be public.

Analysis of Data on Transparency

The fact that the leadership feels comfortable making full financial details disclosure only to the district leaders and senior pastors is highly questionable. It gives room for
manipulation as the district pastors may choose on what they want to report and leave out grey sensitive areas to protect their positions. More so in that regard, transparency is partial yet in principle all stakeholders must see clearly what is happening in the organization. The question which then arises is, does the church have anything to hide? This information transparency gap must be plugged out and allow all stakeholders to have full view of what will be happening.

4.3.2.8 Good leadership: Independent Variable

Upon asked about how they view the leadership of the church, all respondents said they view it positively. The other factor which supports the fact that believers have a positive view of leadership of the church is that deacons are elected on a one year term and upon the expiry of that term they retire and believers will vote them into office again. The founder of the church Apostle Guti was not elected by anyone, but by divine appointment. All the other senior leaders were appointed by him. The leaders are trained before ordination and are constantly trained through seminars and they are allowed to further their studies. Respondents agreed that leadership affect success of the church administrated business. Many people enroll at the AMFC College and ZEGU because of the respect they have on the principles of the word of God taught by Apostle Guti. More so, the values cherished by the leadership transcend down the ladder and the same values are predominant in the lower level employees and church members.

Analysis of Data on Good Leadership

Whilst the leadership is inspiring and good, there a is a challenge in that the leadership is practicing business best practice hiding behind a smokescreen mantra saying the church is not a business and money collected in church belongs to God and God is not public. This creates a leadership transparency and accountability gap. However the leadership is adequately trained and is carrying out developmental work. Its vision especially the Z.E.G.U. University shows that the church is determined to operate a business on a professional commercial basis by hiring highly skilled and trained leaders which will produce graduates which make an impact in government and industry.
4.3.2.9 Business Success: Dependent Variable

The highlight of the success of the church is the building of MbuyaDorcas Hospital and plans are underway to build rural clinics. It also successfully built a university called Z.E.G.U. in Bindura using money contributed by the women of the church. The reasons given why the church has successfully raised funding capital to build these institutions is accountability, transparency and good leadership of the church. If people have no trust and are not happy with the way things are done, they will simply stop making contributions. All its other profit making businesses are highly successful thanks to the business best practices employed by the highly professional personnel to ensure that the operating system is accountable, transparent and the leadership creates an enabling operating environment.

Analysis of Data on Business

The business success has been measured in terms of achievements in building of the MbuyaDorcas Hospital and the Z.E.G.U. University whose continued existence is testimonial to the fact that they comply with the Health Act and Education Act. However, success in terms of profitability could not be measured because the church refused to supply details of financial information which makes the church’s transparency questionable. This transparency gap must be dealt with as it corrodes the confidence and trust that the parishioners have in the running of the church business.

4.3.3 The Anglican Church – Harare Diocese

In Zimbabwe, the church is divided into 5 dioceses and each diocese is led by a Bishop. The Harare province is led by Bishop Chad Gandiya. These Dioceses are autonomous units which run their own affairs independent from the other. The diocese of Harare has its head office at Paget House, 87 Kwame Nkrumah Avenue. It has a well defined structure. The church leadership does not believe it operates profit making business although they have a lot of schools they operate. The church has a website http://www.hreanglicancpca.org.zw which publishes information about its activities and gives updates on major events.
4.3.3.2 Respondents and their position in church
The researcher approached a total of ten respondents one from senior management, two from lower level employees and seven members of the congregation. All of them responded which gave a hundred percent response rate.

4.3.3.3 The vision
The church runs with a vision stated as, “To be a Growing United Anglican Christian Family committed to Living, preaching, and teaching the Gospel by engaging in holistic mission guided by the Holy Spirit.” The church argues on its website that the vision gives meaning to the congregation by; capturing imagination and creating stretch, giving a clear direction of where we are going, generating unity of mind and purpose, providing parameters for accountability and generating resources.

4.3.3.4 Sources of Income
Unlike Pentecostal churches which have come up with fancy names for offerings and contributions by its membership, the church has the following as its sources of funding

- Tithes
- Offerings
- Funding from the mother church

Money collected from these forms of giving is used to meet church expenses. The church leadership refused that they run income generating project despite having schools running under the church’s armpit.

4.3.3.5 Businesses administrated by the church
The church leadership denies that it operates in the sense of profit making but to reach out to the need in that particular sector, but it is evidently clear that it has a business element in the running of the following institutions;
• Schools

The church has several schools that it runs with students paying tuition fees and developmental levies. The members of staff are paid by the government and in some cases they will get allowances from the church.

• Hospitals

The church also has a Mission Hospital in Bonda, but it falls under the Manicaland Diocese.

These institutions are run on a professional business basis and employ a number of people from grounds man, receptionists, accountants, administrator, doctors and other technical personnel. These workers are qualified personnel some with diplomas’ from reputable tertiary institutions and university degrees.

4.3.3.6 Accountability: Independent Variable

The church is accountable to its own constitution and also it claims to be accountable to the Lord Jesus. The structural set up of corporate governance and leadership ensures that employees of the organization are accountable to their superiors and at the end of the day the superiors are accountable to the senate and the Bishop who are accountable to the province. There is also a code of conduct which guides behavior of the workers of the church. When it comes to disposal of assets the decision must not be an individual decision but it is a decision of the committee. The church ensures that it uses funds for the purpose they were raised for.

The church diocesan secretary administration respondent revealed that the church prepares income and expenditure statements which it presents to the members of the church, but non Anglican members are not allowed to view the church’s financial information. The income statements are audited by the internal auditors. The researcher requested for the audited statements since 2009, but the church refused to supply the information.
Table 3.6

<table>
<thead>
<tr>
<th>Questions Asked</th>
<th>Number of Respondents</th>
<th>Yes %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Does the church prepare financial statements?</td>
<td>Yes 3, No 7</td>
<td>30%</td>
</tr>
<tr>
<td>Do you distribute statements to parishioners?</td>
<td>Yes 3, No 7</td>
<td>30%</td>
</tr>
<tr>
<td>Is there need to circulate statements to parishioners?</td>
<td>Yes 10, No 0</td>
<td>100%</td>
</tr>
<tr>
<td>Do you think accountability affects your business?</td>
<td>Yes 10, No 0</td>
<td>100%</td>
</tr>
<tr>
<td>Does the Church use funds for the purposes raised?</td>
<td>Yes 10, No 0</td>
<td>100%</td>
</tr>
</tbody>
</table>

Members of the church constituting seventy percent said they do not receive financial statements and the church diocesan secretary respondent is the only one who said they give church members access to the financial statements.

All respondents asked concurred that accountability tends to affect the success of church administrated business in the sense that if church members are satisfied that the church is accountable on the use of funds, they will contribute more money therefore increase the capital base of the church administrated business and give room for expansion. Accountability cures the vice of financial embezzlement on the part of employees as agents of the organizations and aligns the interests of the employee to the interests of the organization. The questionnaire gave a provision for respondents to rate their church’s accountability giving a score ranging from Excellent (5), Very Good (4), Good (3), Poor (2) and Bad (1) and the following were the results.

<table>
<thead>
<tr>
<th></th>
<th>Respondents</th>
<th>Total respondents</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Excellent</td>
<td>1</td>
<td>10</td>
<td>10%</td>
</tr>
<tr>
<td>Very good</td>
<td>4</td>
<td>10</td>
<td>40%</td>
</tr>
<tr>
<td>Good</td>
<td>5</td>
<td>10</td>
<td>10%</td>
</tr>
<tr>
<td>Poor</td>
<td>0</td>
<td>10</td>
<td>0%</td>
</tr>
<tr>
<td>Bad</td>
<td>0</td>
<td>10</td>
<td>0%</td>
</tr>
</tbody>
</table>
Analysis of Data on Accountability
From the available data, the church seems to practice financial accountability to senior leadership of the church and the rest of the parishioners are not given the copies of financial statements. The church is practicing partial accountability to the leadership and this information asymmetry becomes a problem where these senior leaders would want to further their personal interest as evidenced by the Kunonga wrangle. There is an accountability gap which can only be filled by complete disclosures.

4.3.3.7 Transparency: Independent Variable
The diocesan secretary respondent advised that the system allows every stakeholder to have a full view of what is happening in the church through presentation of accounts. There are laid down working procedures and a code of conduct which ensure that there is no selective application of rules to enhance transparency. During church services, the church makes announcements to the general members on what will be happening. On its website, the church has a provision for any member to email the bishop if there is anything which needs clarity and also it gives news updates about the church’s progress and activities. Respondents were unanimous on the effects of transparency that lack of transparency results in lack of confidence and church members tend to withhold their contributions which are the life blood of the church and choke the breath of operations.

Analysis of Data on Transparency
The church is transparent in the manner it reports other activities, but it is not transparent when it comes to financial handling. The researcher requested for financial information which the church claims that it is accessible to who needs it, but the church refused to give the information. Even members of the church they are told about offerings and pledges but they are not told about the income from schools. Transparency in the church is therefore not complete and the church leadership needs to make full financial disclosure of the church’s operations.
4.3.3.8 **Good leadership: Independent Variable**

On its website, the church claims that it is committed to making teaching of the Word of God central to all church activities emphasizing; a strong Christian education for children in Sunday school, a vibrant young church ministry, theology for the laity supported by structured and focused bible studies in order to create a bible literate church, continuing education for clergy and encouragement for further theological studies in parishes and enabling every member of the diocese to fulfill their ministry. Above all the leadership strives to ensure accountability to the Lord Jesus Christ in being self-sufficient and supporting in propagating and governing His church.

There has been a wrangle for the control of the church between a retired Bishop Nolbert Kunonga and Bishop Chad Gandiya. The matter was resolved through the courts and Bishop Gandiya was found to be the legitimate leader of the Diocese and as such his diocese was given full control of the church assets. According to the article posted on the church’s website, Kunonga wanted to control the church assets to further his personal interests of forming the Province of Zimbabwe at the expense of stated procedures which spell that if one resigns or relieved of his duties, he ceases to have access and control of the church properties and funds of the diocese he was leading. This created tension as a faction led by Kunonga waged a fierce war beating up members of the legitimate diocese who wanted to access the church’s premises for prayers and also took control of schools under the church. At some point the High Court ruled that Kunonga must have control of the properties and assets. The believers stood resolutely behind the legitimate leadership of Chad Gandiya until the courts delivered the justice which they so yearned for and joyfully removed the tag of victims for victors. This case was a true mark of believer’s loyalty and faith in their leadership and existence of corporate governance.

The church has a hierarchical leadership structure with clearly defined roles. The leadership structure diagram is actually posted on the website as indicated in the diagram below.
Diocese of Harare Organogram

Bishop

Senate

Synod

Standing Committee

Sub-committees

Evangelism

Worship and Music

Clergy Welfare

Communication

Theological Education

Communication

Education

Finance

Diocesan Schools

Archdeaconry

Hospitals

Parish

House Groups

Sub-Committees

Sunday School

Youth

Young Adults

MU

FF
When respondents were asked to rate their leadership on a scale ranging from Excellent (5), Very Good (4), Good (3), Poor (2) and Bad (1) their response was as follows:

<table>
<thead>
<tr>
<th></th>
<th>Respondents</th>
<th>Total Respondents</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Excellent</td>
<td>0</td>
<td>10</td>
<td>0%</td>
</tr>
<tr>
<td>Very good</td>
<td>4</td>
<td>10</td>
<td>40%</td>
</tr>
<tr>
<td>Good</td>
<td>6</td>
<td>10</td>
<td>60%</td>
</tr>
<tr>
<td>Poor</td>
<td>0</td>
<td>10</td>
<td>0%</td>
</tr>
<tr>
<td>Bad</td>
<td>0</td>
<td>10</td>
<td>0%</td>
</tr>
</tbody>
</table>

**Analysis of Data on Good Leadership**

Available data shows that the church has good leadership which formulated a constitution and policies which protect the church from greedy leaders who pursue personal interests at the expense of the church. To gain confidence of the parishioners in the midst of such hostilities and intimidation goes a long way to show how parishioners rate the leadership. The communication that the leadership had with the church members through the website helped the general members to keep posted of the events which were taking place. That leadership has kept believers united for the good of the church.

**4.4.9 Business Success: Dependent Variable**

The church suffered during the time of fight for control of church properties and lack of accountability, transparency and good leadership during the time of factional fights resulted in reduced income to fund activities. However, since the situation has been resolved, believers are happily contributing towards the accomplishment and success of church projects. The church says it has been successfully running the schools without filing for liquidation as a result of accountability, transparency and good leadership of the officers manning those entities. The church however refused to give income and expenditure figures.
Analysis of Data on Business Success

The church managed to ride the wave of internal fighting because of the existence of a constitution which the church leadership must be accountable to. The church successfully escaped a complete breakdown because of good leadership which stood up to the evil perpetrated by the want away bishop. What united the church were the good leadership, transparency and accountability of the church. However profitability as a measure of success could not be ascertained because of the refusal of the church to avail financial statements. This is a major limiting as no meaningful study could be made on churches if they deny stakeholders information and shy away from public scrutiny.

4.4 Testing the Proposition

The research proposition stated that success in Church administrated businesses is dependent upon accountability, transparency, and good leadership. In order to test the validity of this proposition one looks at the available data and assesses the correlation between the variables to come up with the generalization.

4.4.1 Accountability Test

Data available on all the three cases supports the claim that success in church administrated business is premised on accountability upon which it depends for success. Where there is no accountability, agents steal from the church and money meant for development will be used for personal interests. Increased accountability eliminates the risk of embezzlement allowing the church to use its resources to promote growth and success of its businesses.

4.4.2 Transparency Test

Transparency data presented in all the three cases show that transparency has a huge bearing in affecting the confidence and trust of church members which motivates them to contribute more money to fund capital projects of the church and their success. Lack of transparency provides a fertile ground for frauds and corruption which is a cancer which destroys the success of business run by the church. Increased transparency
instills a sense of responsibility and there is fear of being exposed and punished which motivates agents to pursue the objectives of the church run businesses.

4.4.3 Good Leadership test
Leadership is the driving factor behind the success of any organization and it achieves this through effective communication of objectives and motivating the followers to achieve the stated goals. The leadership is also responsible for setting the structural framework of the church and implementation of the church plans. The trust and perception which people have on leadership contribute to their attitude and cooperation in executing tasks. Therefore, success in church administrated business is heavily dependent on good leadership.

4.4.4 Business Success test
In all the cases reviewed, it has been clearly stated that success of church administrated business is dependent on variables like accountability, transparency and good leadership.

4.5 Generalisation or Theory Coming Out
The resultant theory which has been clearly reflected in the analysis is that success in church administrated business depends upon accountability, transparency and good leadership.

4.6 Chapter summary
The chapter presented the findings from the information gathered employing case studies as the research approach and the use of telephone administrated questionnaire as a research instrument. The questionnaire questions sought to establish the extent to which churches apply accountability, transparency and good leadership and how these variables tend to affect the successful administration of businesses run by the churches. The next chapter will focus on analysis of the data and conclusions and make recommendations to the relevant authorities.
CHAPTER FIVE
DISCUSSION OF FINDINGS, CONCLUSIONS AND RECOMMENDATION

5.1 Introduction
The chapter is going to critically analyze its practical findings on accountability, transparency, and good leadership and their effect on church administered businesses against the background of literature review to explore the gaps and variances in order to make informed conclusions. The recommendations will be made based on the generalizations of the observed gaps between the practical application of accountability, transparency, and good leadership in the businesses administrated by the church and the theoretical framework from the literature review.

5.2 Discussion on Church and Business Activities Domain.
Gibbs (2005) defined the church as a group of people who gather together with the aim of worshipping God apposition supported by Powers (2008). Although the primary objective is to worship God, the gathering of people and the need to spread the gospel gives rise to the need to mobilize resources and administer those resources in a way which promotes the successful execution of tasks to meet the set objectives. Leadership for the three churches researched is adamant that the church is never in business to make profit stating that their business is to win souls and organizations under study avoided looking at the income generating projects by the church as business ventures but as arms which facilitate outreach. This creates a big problem as based on this assumption; the church would only want to borrow operational models from the corporate world but does not want to implement the basic tenants of best business practice.

The literature review given by Mcnaughton (1960) defined a business as an exchange of goods and money or services for a mutual benefit and when ever one exchanges goods or services for money that’s business a position supported by Certo (1990). The research now has a challenge where the church which engages in business transactions does not want to be seen as carrying out business operations. The potential problem which arises from this blatant denial of the truth is lack of
accountability and transparency in the businesses that the church operates. The argument by Brunner (2002) that if the church drifts toward the business model it becomes the case to the loss of many things essential to being Kingdom of God is naïve and Olson (2011) who says that the church was never intended by Christ to be a business in the modern, capitalist, consumer oriented sense ignoring the open truth that these business entities raises income which the church would then use to further propagate the gospel. The church simply wants to justify bad practices and normalize the abnormal. Whenever the church engages in an income generating project where it trades goods or services for money that purely business. Churches do not want to acknowledge that they are in business for fear of attracting the taxman and further scrutiny of their operations and also parishioners would start questioning where the profits are channeled towards. Government should move in and put a legislation which mandates churches to declare profits from these income generating projects.

5.2.1 The Identified Domain Gap
What is clearly coming out from the above discussion is that although the church is engaging in business practices, it denies involvement in business. This refusal by the church to acknowledge that it operates profit making business which runs on professional business is the reason why the church does not want to practice best business practice fully complying with the dictates of accountability, transparency and good leadership. Government should help to close this gap by simply making it a policy that churches must publish and declare profits made from income generating projects to the public to ensure that all the income received by the church is used progressively.

5.3 Discussion on Independent Accountability Variable
Ray T. Rachels (2003) pointed out that a church needs to be accountable to its constitution and Carrington (2008) supported it by saying holding organizations accountable means to ensure that their internal policies and procedures are lawful and reflect the best interests of its stakeholders and the organization acts according to its particular governance arrangement. All the three cases under review have constitutions in place and they have structures of governance to ensure accountability which has
contributed to the continued existence of the organization and ability to mobilize resources. The research established that prepare financial statements they present to the senior leadership as recommended by Crankshaw (1998). Individuals are held accountable or liable for their actions and existence of operation manuals, procedures and policies ensure accountability.

However there is a point of difficult in that the financial information is only presented to the top leadership. What if the leadership connives to give a clean bill of health when they report to the parishioners? The financial statements should just be available for inspection by any church member not to be a preserve of the selected few. All the institutions under study refused to give the researcher financial data on the banner of confidentiality claiming that they donot release church information to non members of the church. However the parishioners themselves agree that they are not shown the financial statements. The information they are told are the accomplishments done by the raised money without going into specific details which again leaves a loophole for financial embezzlement although it will not be significant enough to raise public alarm.

5.3.1 Identified Accountability Gap
The financial information of the church has remained shrouded in secrecy with partial accountability exercised to the leadership of the church ignoring the general church members. In cases where general members are told about the finances it will be a verbal report and parishioners are not given detailed financial data so that they can effectively scrutinize and question certain transactions which makes the church liable to the actions it makes. Cardinal Bagnasco (2011) points out that accountability motivates parishioners to contribute more money towards the pursuit of the church’s objectives. Respondents in all the churches agreed with this position that whenever the church gives a report on finances to the members of the church, the parishioners respond by increasing their financial contributions and donations which form the base for capital to fund projects. Accountability plays a major role in contributing towards the success of church business operations.
5.4 Discussion on Transparency

Transparency was defined by Jones (2003) as the ability all stakeholders in a system to see everything, making it easy to discover ways of creating value a view which is supported by Bagnasco (2011) all the churches under study agreed that there is need for the organizations to be transparent. They make announcements during services about the activities of the church and on their websites they publish information of their plans and activities which is exciting and gives a sense of direction. The churches which operate schools and hospitals comply with the Education Act and Health Act and meet the set requirements for transparency. However there is one area which the churches under study do not want to fully comply which is financial disclosure in terms of budgets, income at national level on offerings, tithes and business activities. There seem to be partial compliance to transparency. Churches are custodians and handle public funds and honestly there is no justification why the church should shy away from public scrutiny. One respondent in leadership position actually said, “When people give they give unto the Lord so God’s money is not public”. It is difficult to understand why then the leadership wants to protect God if God has something to hide against the people.

5.4.1 Identified Transparency Gap

The churches want to be treated as private institutions yet they hold public funds. One respondent from the senior leadership of the church boldly stated that money given to the church is God’s money and God’s money is not public money. However, when they raise the money the leaders give an impression that both the believer and the follower are working for God but when it comes to financial information access to it becomes a preserve of the selected few. In all the three cases examined, respondents concur with the view that whenever the church conducts its business in a transparent manner, people will do their best to support the vision which promotes success and growth. Transparency is what has brought success in the implantation of the projects and one believes that if the churches were fully compliant to transparently report on utilization of every cent, it would have plugged some loopholes and the success would be even more pronounced.
5.5 Discussion on Leadership
Chemers (2002) defined leadership as the process of social influence through enlisting the help of others to accomplish a common task. Montgomery (1961) said leadership is the battle to win hearts and influence them towards accomplishment of goals. The measures of good leadership manifests through the characteristics of good leadership which Useem (2001) said leadership is at its best when the vision is strategic, the voice persuasive and the results are tangible. Leaders must be visionary. The other measure of good leadership is good communication as suggested by Yin (2009) communication a tool for controlling, emotional expression, motivation and passing information. Its measures are discipline, passion for work, wisdom, integrity of character, charismatic and compassion.

The churches selected for study have well defined leadership structures with articulated vision statements. They point out that the vision motivates believers and charts the direction of the organization. They communicate to the parishioners through announcements during Sunday services and also disseminate information through websites. The leaders are adequately qualified and are trained before ordination and they continue to be trained through seminars which are held quarterly or annually. The leaders are disciplined as evidenced by people who continue following their leadership and continue to be associated with the leaders. They are charismatic in the sense that for example Z.A.O.G.A. and Celebration founding leaders started the organization from scratch and Bishop Chad Gandiya of Anglican had to ride the challenge of a breakaway Bishop who has been heading the diocese for a long while. The leadership is appealing to the followers who keep supporting the vision. The church is a difficult organization to lead because attendance is voluntary based upon an individual’s conviction and faith and to testify to the good leadership of the church there are believers who have been in the church for more than twenty years. Some parishioner got the point of identifying the God they worship as the God of their preferred leader like in Z.A.O.G.A. ardent Christians in that church call God, the God of Ezekiel Guti a sign of endorsement.
5.5.1 Effects of Leadership on Business Success
The leadership savvy and business acumen has contributed towards the starting of the multi-million dollar projects like Z.E.G.U. University and the Celebration Centre which houses bookshops, gym facilities, coffee shops and conferences hire facilities. The personal appeal of leadership gives confidence to the parishioners as whenever these leaders make a request, parishioners are quick to respond and support the project.

5.6 Discussion on Success of Church Administered Business
Maubousisin (2012) defined success of business as the attainment of the main business objective a position collaborated by Lucky (2012) who said the purpose of setting a business is to make profit despite the motive of the utilization of the profit earned. Success can also be referred to as continuance in existence as a going concern. The churches’ strategic business units (SBUs) like schools, hospitals and other income generating activities have successfully continued to operate as a result of provision of adequate funding from church members who inject capital as a result of satisfaction with the good leadership. The other reason why these SBUs have not been shut by the government arms which oversee them is that leadership complies with the requirements and meet their standards of accountability, transparency and leadership qualifications.

5.7 Conclusion
The church is an ecclesiastical order made up of people who gather together with the aim of worshipping God. As people congregate and plans are set, there arises a need to mobilize resource and allocate them which gives birth to the administration arm. The process of resources mobilization may entail that the church invest the little money that it has in order to earn more money and relieve the burden of coming back to the parishioners to fund the operations of the church. Although the primary objective is to generate income to fund the church’s main objective of reaching out and spreading the gospel ministering to the need, the business element can not be ruled away. The denial of the business concept in the church has result in the church failing to fully comply with the dictates of accountability and transparency. From the above discussions, it is
evidently clear that accountability, transparency and good leadership affect the success of church administrated businesses.

5.8 Recommendations
Given the above discussions and critical analysis, the dissertation has come up with the following recommendations;

(1) To promote accountability, there must be an Act of Parliament which Churches must be register under and comply with so that there is uniformity of operations and control founder members that take the church as their personal projects and have a culture of entitlement demanding unlimited access to the profits or surpluses.

(2) To promote transparency by Churches as they deal with public funds, just like banks some of them which are private institutions but are compelled to publish financial statements, churches must also be made to furnish the public with their financial information and there should be an act of parliament to that effect. There could be a danger of money earmarked for development being used for personal gain. Publishing of financial statements will also assist research work on churches as financial data will be readily available.

(3) To augment both accountability and transparency, Government must create an act which authorizes Zimbabwe Revenue Authority to examine the books of the churches and tax them as a way of ensuring that the government audits churches and make churches are compliant with the financial information disclosure requirement.

(4) To promote success in church administrated businesses, churches must increase their level of transparency and accountability in order to gain full trust and confidence of parishioners who fund the operations of the church’s activities.

(5) To promote value addition, further research should be carried out on a larger scale to establish the extent of accountability, transparency and good leadership so that the community benefits adequately from the developmental activities of the church.
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