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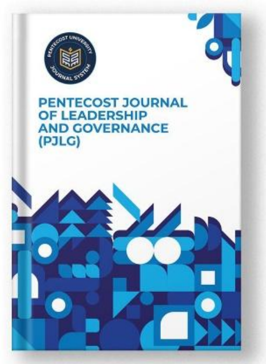

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FINANCIAL POLICIES AND SUSTAINABILITY IN CHURCHES: A MIXED-METHODS STUDY OF SUB-SAHARAN AFRICA AND NORTH AMERICA

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ABSTRACT

Background and Aim: Faith-based organisations increasingly face financial mismanagement, weak governance and under-prepared leadership that threaten sustainability and credibility. This study examined how financial stewardship, governance structures and leadership models jointly influence church sustainability in Sub-Saharan Africa and North America and proposed an Integrated Ecclesiastical Sustainability Model (IESM). **Materials and Methods:** A convergent mixed-methods design was employed. Quantitative data were collected from 428 respondents across 35 churches using structured surveys, the Multifactor Leadership Questionnaire and the Servant Leadership Scale; data were analysed using descriptive statistics, correlation, regression and structural equation modelling (SEM). Qualitative data were gathered through semi-structured interviews with 30 church leaders and analysed thematically using NVivo. **Results:** Sixty-eight percent of churches lacked formal written financial policies. Financial management structure correlated strongly with sustainability (*r* = .82, *p* < .001), and transparency correlated strongly with congregational trust (*r* = .76, *p* < .001). Regression and SEM analyses confirmed financial structure, transparency, accountability and leadership effectiveness as significant predictors, jointly explaining 73% of sustainability variance ($R^2 = .73$, *p* < .001). Qualitative findings revealed tensions between faith and accountability, governance gaps, and leadership style effects that reinforced quantitative results. **Conclusion:** Findings support a four-pillar Integrated Ecclesiastical Sustainability Model governance structure, transparency, professional development, and strategic planning offering churches a pathway to combine biblical stewardship with sound financial and organisational practice.

Keywords: Ecclesiastical finance; financial stewardship; church governance; sustainability; faith-based organizations.

INTRODUCTION

Financial stewardship and governance effectiveness are central to church leadership, shaping the sustainability, credibility and mission focus of faith-based institutions (Osei-Tutu, 2012; Kalito, 2024). Biblical instructions such as 1 Corinthians 4:2 and Luke 16:10–11 call leaders to accountability and careful use of entrusted resources, yet scholars argue that spiritual conviction alone is insufficient without accompanying financial systems, accountable governance and professional leadership practice (Northouse, 2021; Asamoah-Gyadu, 2021). Unlike secular institutions operating under fixed regulatory frameworks, churches function within complex webs of theology, culture and denominational tradition that shape financial and leadership decisions (Osei-Tutu, 2012), while trust-based giving means that failures in transparency damage both organisational stability and spiritual credibility (Miller, 2014).

Contemporary research has increasingly documented the challenges facing churches in managing their financial resources. A study of Baptist Fellowship churches in Zambia found significant challenges including inadequate financial literacy, cultural attitudes towards money, economic instability, and a lack of effective internal control mechanisms (Chembo & Yohane, 2025). The study further revealed that over-reliance on tithes and offerings hinders the capacity to maintain financial stability during periods of economic instability, and only a few churches exhibited a significant degree of transparency concerning their fund usage, leading to challenges related to trust and accountability among the congregation (Chembo & Yohane, 2025). Similarly, research on Catholic and Lutheran churches in Tanzania established that budget participation and budget evaluation significantly enhance financial accountability, underscoring the pivotal role of active member involvement in budget decisions and performance evaluation as key drivers of financial accountability in religious organisations (Bayno, Haule & Temu, 2025).

These challenges operate at three interconnected levels. First, many congregations still lack written financial policies, external auditing or accountability structures, which increases the risk of mismanagement (Asamoah-Gyadu, 2021; Bowler, 2018; Bovens, 2007), a risk compounded in smaller churches that rely on trust-based systems (Agyapong, 2010). Recent evidence from a survey by Church Law & Tax indicated that three in ten church leaders reported their congregations had experienced financial misconduct, with 14% of those reporting losses exceeding $100,000, and perpetrators including pastors (Church Law & Tax, 2024). Half of those affected previously believed it could never happen in their church, highlighting the pervasive lack of preparedness for financial governance failures.

Second, traditional governance structures — episcopal, presbyterian and congregational — are increasingly strained by modern administrative and legal demands (Campbell et al., 2021; Osei-Tutu, 2012), and many churches lack clear rules for conflict resolution or leadership succession (Miller, 2014). Kalito (2024), in a practical theological study of congregations in the Reformed Church in Zambia, revealed that effective leadership characterised by financial transparency, accountability, and stewardship is crucial in promoting optimal financial management. The research proposed a contextualised leadership model integrating biblical principles and African values to enhance financial oversight and integrity in congregations (Kalito, 2024).

Third, many church leaders possess spiritual authority but limited training in financial and administrative management (Northouse, 2021), producing weak oversight and reduced member trust (Bowler, 2018). Research on Christian churches in Brazil found that churches face significant challenges in implementing strategic planning, with emphasis on the centralisation of financial decisions in leadership, low participation of members and employees, and the absence of specific financial goals in their mission and vision statements (Ribeiro et al., 2025). The study recommended restructuring mission and vision statements to align with clear financial goals, including members in governance and financial control processes, and training leaders in the use of management tools (Ribeiro et al., 2025).

Because these three areas reinforce one another, addressing them in isolation is unlikely to be effective, yet few existing studies examine them together, and comparative evidence between Sub-Saharan Africa and North America remains scarce. Furthermore, research on faith-based social enterprises in Africa has identified a "funding paradox" — a tension between spiritual mission and financial sustainability, exacerbated by external demands for accountability (Mathuva, Ndunge & Njiraini, 2025). This paradox highlights the need for integrated approaches that align financial models with organisational identity, capacity, and life cycle needs (Mathuva, Ndunge & Njiraini, 2025).

This study addresses this gap by examining how financial management, governance and leadership jointly shape church sustainability, and by proposing an integrated, theologically grounded and practically viable model. Specifically, the study was guided by the following research questions:

RQ1: What is the relationship between financial management structures and church sustainability?

RQ2: How do governance structures and leadership models influence congregational trust and institutional resilience?

RQ3: How do church leaders and members experience the tension between spiritual authority and administrative accountability?

RQ4: What integrated model can support faith-based organisations in achieving both spiritual integrity and organisational sustainability?

Objectives

Guided by these questions, the study aimed to:

1. Examine the extent and effect of formal financial management practices on church sustainability.
2. Assess how governance structures and accountability mechanisms relate to congregational trust.
3. Investigate how leadership models particularly the combination of transformational and servant leadership shape governance outcomes.
4. Develop and empirically test an Integrated Ecclesiastical Sustainability Model (IESM) for faith-based organisations.

LITERATURE REVIEW

Theoretical Framework

This study draws on five complementary theories, since no single theory adequately explains the complexity of church finance, governance and leadership.

Stewardship theory (Davis, Schoorman & Donaldson, 1997) provides a moral and biblical foundation, framing leaders as faithful managers accountable to God and to their congregations. Recent research has applied stewardship theory to assess financial management systems for church sustainability, finding that theory offers valuable guidance on financial management practices to ensure the long-term viability of the church (Nyamongo, 2023). However, the theory can understate the risk of mismanagement (Agyei, Ofori & Mensah, 2021).

Resource Dependence Theory (Pfeffer & Salancik, 1978) explains churches' reliance on tithes, donations and partnerships and the importance of income diversification. Understanding best practices in managing financial constraints among US congregations has integrated resource dependence theory with institutional, organisational ecology, and entrepreneurship theories to understand factors associated with congregational income (Anonymous, 2025). However, its focus on survival can understate mission and theological concerns (Osuji, 2022).

Stakeholder theory (Freeman, 1984; Harrison et al., 2020) highlights accountability to members, donors, denominational leaders and the community, though tension can arise when stakeholder expectations conflict with theological priorities. Research on budgeting and financial accountability in religious organisations has demonstrated that financial accountability, as reflected in a high level of transparency and responsiveness to key stakeholders, is crucial for building trust in religious organisations (Bayno, Haule & Temu, 2025).
Transformational leadership theory (Bass & Riggio, 2006) foregrounds vision and change, but excessive reliance on charisma risks authoritarianism (Tourish, 2020). Recent research has explored how transformational leadership can be utilised in managing human resources for sustainable church growth (Afolabi, 2024), and has examined the relationship between transformational leadership, servant leadership, and church vitality (Schwiger-Alexander, 2024).
Servant leadership (Greenleaf, 1977), rooted in humility and Christ-like example, builds trust and participation, though it can be indecisive in crises (Eva et al., 2021). A case study of servant leadership in a twenty-first-century church found that leaders who combined vision and inspiration with humility and service achieved stronger sustainability and higher member engagement than leaders relying on either style alone (Reed, 2023).

Table 1: Theoretical Framework Mapped to Study Variables

Theory	Core Contribution	Study Variable Operationalised
Stewardship Theory (Davis et al., 1997)	Moral/biblical accountability of leaders as resource managers	Ethical financial behaviour; written policy adoption
Resource Dependence Theory (Pfeffer & Salancik, 1978)	Reliance on tithes/donations; need for income diversification	Financial sustainability and vulnerability
Stakeholder Theory (Freeman, 1984; Harrison et al., 2020)	Accountability to members, donors and denominational bodies	Accountability mechanisms; transparency
Transformational Leadership (Bass & Riggio, 2006)	Vision, inspiration and change	Leadership effectiveness — vision dimension (MLQ)
Servant Leadership (Greenleaf, 1977)	Humility, trust and relational care	Leadership effectiveness — relational dimension (Servant Leadership Scale)

Biblical Foundations of Financial Stewardship and Leadership

The Bible remains the key source that guides how churches think about money and leadership. In scriptures such as 1 Corinthians 4:2 and Luke 16:10–12, leaders are reminded to be faithful managers, and in 2 Corinthians 8:20–21 Paul shows that finances must be handled openly before both God and people. Recent studies show that pastors today still interpret financial questions through theology, often mixing trust in God with practical accountability (King, 2025). Servant leadership, as stressed in Mark 10:42–45, underlines humility and service rather than control. Yet in practice many congregations still depend on personal charisma or informal trust, which weakens accountability and can lead to conflict (Reed, 2023).
These biblical principles are operationalised in the present study through measurable indicators such as the presence of written financial policies, the frequency of external audits, and transparency scores, translating stewardship from a theological ideal into an empirically observable practice.

Contemporary Financial Management Practices in Churches

The way churches manage finance today varies with size and resources. Small churches often rely on informal systems in which pastors or volunteers handle funds with little documentation, which can work in close communities but carries risks of misuse and loss of trust (McDaniel, 2025). Larger or urban churches increasingly use formal systems with finance boards, written rules and audits, which many members view as a sign of seriousness and credibility (ECFA, 2022).

Recent research on financial management practices in Zambian churches found that the financial management practices face significant challenges due to a variety of factors, including limited financial literacy, cultural influences, and economic instability (Chembo & Yohane, 2025). The study recommended that Accounting Information Systems (AIS) should serve as the main solution to tackle the core challenges and enhance financial accountability, efficiency, and sustainability (Chembo & Yohane, 2025).

Research on Christian churches in Brazil revealed that churches face significant challenges in implementing strategic planning, with emphasis on the centralisation of financial decisions in leadership, low participation of members and employees, and the absence of specific financial goals in their mission and vision statements (Ribeiro et al., 2025). The study recommended restructuring mission and vision statements to align with clear financial goals, including members in governance and financial control processes, and training leaders in the use of management tools (Ribeiro et al., 2025).

Technology Integration

Technology has reshaped financial management in many churches. Online giving, accounting software and digital dashboards make contributions easier to track and records more accurate, and churches adopting these tools have reported higher member trust, a trend accelerated by the Covid-19 pandemic (Wired, 2021; Campbell & Tsuria, 2021). Smaller congregations, however, face barriers of limited digital literacy, cost and resistance to change (Asamoah-Gyadu, 2021).

The integration of Accounting Information Systems (AIS) has been identified as having the potential to enhance the transparency, efficiency, and accountability of organisational financial processes in churches (Chembo & Yohane, 2025). AIS can be used to create improved financial management in the church by encouraging higher accountability among church leaders and assuring continuous adherence to recognised best practices (Chembo & Yohane, 2025).

Governance Structures and Administrative Effectiveness

Church governance is the framework that shapes who holds authority, how decisions are reached, and how leaders are held accountable. Episcopal or senior-pastor-centred systems create stability but can limit the voice of local members; council- or elder-based systems increase accountability and shared control but can slow urgent decisions; and congregational systems encourage ownership and participation but can produce conflict when leadership is weak or rules are unclear. Recent research has emphasised the importance of strengthening church governance and accountability through best practices and essential resources, including implementing strict financial policies to ensure transparency and accountability in handling church funds (GARBC, 2025). The Seventh-day Adventist Church has also emphasised transparency and accountability, with a major addition to the new edition of the Church Manual (2025) being the paragraph titled "Transparency and Accountability," included at the end of the chapter on Finance (Adventist Church Manual, 2025).

The present study's qualitative findings confirm that many churches are blending these traditional models into hybrid governance arrangements, rather than following a single model, supporting the broader observation that governance is evolving across denominations (ECFA, 2022).

Leadership Models in Faith-Based Organizations

Leadership remains a decisive factor in whether churches decline or remain strong. Transformational leadership inspires vision and motivates change, but when it depends only on charisma it can concentrate excessive power in one individual (Tourish, 2020). Servant leadership, in contrast, emphasises humility, empathy and service, helping to build trust and inclusion in decision-making (Segundo, 2021).

Recent research has investigated how religious leaders' personality, leadership style (transformational and servant leadership), and emotional intelligence were associated with member assessments of church vitality (Schwiger-Alexander, 2024). A case study of servant leadership in a twenty-first-century congregation found that leaders who combined vision and inspiration with humility and service achieved stronger sustainability and higher member engagement than leaders relying on either style alone (Reed, 2023).

Research on transformational leadership as a strategy for human resources management towards sustainable growth in Oyo Baptist Conference found that transformational leadership can be utilised in managing human resources for sustainable church growth (Afolabi, 2024). A mixed-method study examining leadership characteristics that result in collaboration and distributive ministry with team engagement found that pastoral leaders' leadership characteristics of Transformational, Servant, and Shared leadership models were related to team engagement (Anonymous, 2024).

In the present study, this "hybrid leadership" construct was operationalised using the Multifactor Leadership Questionnaire (MLQ) for the transformational dimension and the Servant Leadership Scale for the servant dimension, enabling the two orientations to be measured and compared quantitatively.

METHODOLOGY

Research Design

The study uses a mixed-methods design, blending quantitative and qualitative approaches. Recent work in the organisational and social sciences emphasises that such designs offer both breadth and depth quantitative methods provide statistical reliability while qualitative inquiry explains the "why" behind patterns (Creswell & Creswell, 2021). For churches and faith-based institutions, where financial systems exist alongside spiritual norms and cultural meaning, a mixed approach is better suited than relying on numbers or narratives alone (Molina-Azorín & Fetters, 2020).

Population and Sampling

The population included Protestant, Pentecostal and Evangelical churches across Sub-Saharan Africa and North America. These regions were purposively chosen because they reflect diversity in cultural and governance practice yet remain central to global Christianity (World Christian Database, 2021). Stakeholders of interest were pastors, financial officers, board members and congregants, in recognition that church sustainability is shaped not only by leaders but also by members' trust and participation (Addai & Opoku, 2022).

Sampling Procedure

Survey sampling used a stratified random design. The sampling frame of registered Protestant, Pentecostal and Evangelical churches in the two regions was stratified along three dimensions — denomination (Protestant, Pentecostal, Evangelical), congregation size (small, medium, large, based on registered membership) and region (Sub-Saharan Africa, North America) — and churches were then randomly selected within each stratum. Within each participating church, one financial officer, one board member and additional congregants were invited to complete the survey.

For interviews, purposive sampling was used to select leaders with practical experience in governance and financial oversight, ensuring representation across denominations, regions and leadership roles (senior pastors, financial officers, denominational executives and treasurers). A total of 428 participants from 35 churches completed the survey, and 30 leaders were interviewed.

Table 2: Interviewee Characteristics

Interview Code	Role	Denomination	Region	Years of Service
EFG 101	Pastor	Church of Pentecost	Accra, Ghana	13 years

EFG 103	Elder	Christ Apostolic Church	Accra, Ghana	15 years
EFG 105	Apostle	Jesus Generation	Accra, Ghana	17 years
EFG 107	Pastor	Church of Pentecost	Chicago, USA	13 years
EFG 109	Elder	Christ Apostolic Church	Accra, Ghana	15 years
EFG 110	Apostle	Jesus Generation	Virginia, USA	17 years
EFG 111	Pastor	Church of Pentecost	Accra, Ghana	13 years
EFG 113	Elder	Christ Apostolic Church	Nigeria	15 years
EFG 115	Apostle	Jesus Generation	Accra, Ghana	17 years
EFG 117	Pastor	Church of Pentecost	Togo	13 years
EFG 120	Elder	Christ Apostolic Church	Accra, Ghana	15 years
EFG 121	Apostle	Jesus Generation	Accra, Ghana	17 ears

Data Collection Instruments

Four sets of tools were employed:

1. **Financial Stewardship Survey:** a structured questionnaire with Likert-scale items measuring policy implementation, transparency and sustainability practices, adapted from non-profit financial models and contextualised for churches (Kassardjian, 2021).
2. **Leadership Assessment Tools:** the Multifactor Leadership Questionnaire (MLQ) and the Servant Leadership Scale were used to capture leadership orientation and its effect on governance outcomes (Eva et al., 2021).
3. **Interview and Focus Group Guides:** semi-structured guides covering governance, accountability and leadership challenges, with flexibility to probe emerging themes.
4. **Document Analysis Protocol:** constitutions, minutes, policies and financial statements were systematically reviewed to cross-check self-reports against written rules (Bowen, 2020).

This combination of surveys, validated scales, interviews and documents ensured triangulation, improving reliability and deepening interpretation.

Data Analysis

Quantitative data were analysed with SPSS: descriptive statistics to profile respondents, correlations to explore relationships, and regression models to test predictors of sustainability and trust. Structural equation modelling (SEM) was further employed to validate the conceptual model (Hair et al., 2021). Qualitative transcripts were coded thematically using NVivo, with open and axial coding used to derive categories on stewardship practices, transparency and leadership. Member checking and peer debriefing were used to increase trustworthiness (Braun & Clarke, 2021).

Missing data were deleted to obtain clean data for the research.

Finally, integration of the two strands occurred through joint displays and meta-inferences, aligning statistical results with narrative insights, ensuring that findings are both robust and contextually meaningful (Molina-Azorín & Fetters, 2020).

Ethical Considerations

The study adhered to ethical guidelines for research involving human subjects and received approval from the Postgraduate Studies Research Board at Pentecost University and Salt University College. The specific ethics-approval reference number and date of approval as stated and approved are "Approval No. PU-PSRB-2026-113, dated 20/08/2025."

Informed consent was obtained from all participants, who were briefed on the study's purpose, procedures and their right to withdraw at any time. Confidentiality and anonymity were maintained throughout the research process; church financial records were accessed only with the explicit written permission of each participating church, and all data are reported in aggregate or anonymised form such that no individual church, leader or congregant can be identified.

RESULTS

Quantitative Findings

Table 3: Respondent Characteristics

Characteristic	Categories	n (%)
Denomination	Protestant	146 (34%)
	Pentecostal	163 (38%)
	Evangelical	119 (28%)
Church Size	Small	133 (31%)
	Medium	176 (41%)
	Large	119 (28%)
Region	Sub-Saharan Africa	223 (52%)
	North America	205 (48%)

The study recorded a response rate of 95.1%, with 428 usable surveys gathered from 35 churches spanning denominational, size and regional categories. Protestant churches made up 34% of the sample, Pentecostal 38% and Evangelical 28%, a fairly even spread of the major traditions. By size, the sample comprised small (31%), medium (41%) and large (28%) congregations, reflecting the structural variety of contemporary churches and enabling meaningful comparison.

Financial Management Practices

Table 4: Financial Management Practices

Practice Area	Indicator	n (%) or M (SD)	Statistical Test
Policy Development	Churches with written financial policies	137 (32%)	
	Churches using informal procedures	291 (68%)	
	Churches with formal budgeting processes, by church size	231 (54%)	$\chi^2 = 23.47$, *p* < .001
Transparency	Average transparency score (7-point scale)	4.2 (1.8)	
	Churches with formal policies	5.6 (1.2)	*t* = 12.83, *p* < .001
	Churches with informal systems	3.4 (1.6)	
Accountability	Churches with financial committees	184 (43%)	
	Churches conducting external audits	124 (29%)	
	Churches with board oversight	287 (67%)	
	Churches with multiple accountability layers	94 (22%)	

Policy Development. Only about 32% of churches had full written financial policies, while the larger share (68%) still relied on informal or tradition-based approaches. Formal budgeting was reported in 54% of churches, and there was a strong positive association between church size and whether budgeting was formalised ($\chi^2 = 23.47$, *p* < .001): larger churches were far more likely to have structured systems, while small congregations mostly depended on informal arrangements passed down over time.

Transparency Measures. On a 7-point scale, churches recorded an average transparency score of 4.2 (SD = 1.8). Churches with formal financial policies scored far higher on transparency (*M* = 5.6, SD = 1.2) than churches with informal practices (*M* = 3.4, SD = 1.6; *t* = 12.83, *p* < .001), indicating that formal systems foster openness in reporting and strengthen congregational confidence, whereas informal approaches are associated with opacity and weaker trust.

Accountability Mechanisms. Forty-three percent of churches had financial committees, 29% carried out external audits, and 67% had board oversight, but only 22% combined multiple layers of accountability (e.g., board oversight together with audits and committees). This lack of layered accountability points to a governance weakness, since reliance on a single mechanism offers insufficient protection against financial misuse.

Overall, while a minority of churches have formalised financial management, most still depend on informal, trust-based systems — a dependence that lowers transparency, reduces accountability and threatens long-term financial sustainability.

Correlation Analysis

Table 5: Correlation Analysis

Variables	*r*	*p*	Strength of Relationship
Financial management structure ↔ Sustainability	0.82	< .001	Strong positive
Transparency ↔ Congregational trust	0.76	< .001	Strong positive
Accountability mechanisms ↔ Financial stability	0.71	< .001	Strong positive
Leadership effectiveness ↔ Governance quality	0.74	< .001	Strong positive

The correlation analysis showed strong, statistically significant positive relationships among financial stewardship, governance and leadership variables. The strongest association was between financial management structure and church sustainability (*r* = .82, *p* < .001), followed by transparency and congregational trust (*r* = .76, *p* < .001), leadership effectiveness and governance quality (*r* = .74, *p* < .001), and accountability mechanisms and financial stability (*r* = .71, *p* < .001). Together, these findings indicate that financial systems, governance and leadership function as an integrated foundation for ecclesiastical sustainability.

Regression Analysis

Table 6: Regression Analysis

Predictor Variable	β	*t*	*p*
Financial Structure	.34	12.47	< .001
Transparency	.28	10.35	< .001
Accountability	.22	8.16	< .001
Leadership Effectiveness	.16	6.94	< .001

Model Summary: $R^2 = .73$, $F(4, 423) = 285.47$, *p* < .001

Financial structure, transparency, accountability and leadership effectiveness all emerged as significant predictors of church sustainability. Financial structure was the strongest predictor (β = .34, *p* < .001), followed by transparency (β = .28, *p* < .001), accountability (β = .22, *p* < .001) and leadership effectiveness (β = .16, *p* < .001). The overall model was highly significant, explaining 73% of the variance in church sustainability ($R^2 = .73$, $F(4, 423) = 285.47$, *p* < .001), suggesting that sustainability is best achieved when churches integrate solid financial systems, open communication, layered accountability and effective leadership. This finding is consistent with Eva et al. (2021), who argue that strong financial systems in faith-based organisations arise from the combination of accountability and effective leadership.

Structural Equation Modelling

To validate the proposed Integrated Ecclesiastical Sustainability Model, structural equation modelling (SEM) was conducted using four latent constructs — Financial Management, Governance, Leadership Effectiveness and Sustainability — each operationalised from the corresponding survey subscales.

Table 7: SEM Standardised Path Coefficients

Structural Path	Standardized β	*t*-value	*p*-value	Result

Financial Structure → Outcome	.34	12.47	< .001	Supported
Transparency → Outcome	.28	10.35	< .001	Supported
Accountability → Outcome	.22	8.16	< .001	Supported
Leadership Effectiveness → Outcome	.16	6.94	< .001	Supported

Table 8: Model Fit Summary

Fit Statistic	**Value**
R^2 (variance explained in outcome)	.73
$F(4, 423)$	285.47
p-value	< .001

Qualitative Findings

Four themes emerged from the analysis of interview and document data, reflecting the complex interplay between faith, governance, leadership and culture in church financial management.

I. Theme 1: Tension between Faith and Accountability

A recurring tension across congregations was the perceived conflict between spiritual trust and financial accountability. Many church leaders expressed concern that implementing strict financial controls could be interpreted as a lack of faith in divine provision, while simultaneously acknowledging the necessity of safeguards against mismanagement. This tension was particularly pronounced in smaller congregations, which lacked the financial resources and trained personnel to establish formal financial systems, often relying on volunteers with limited expertise.

> "*If we introduce too many financial controls, people will think we don't trust God to provide. But if we don't have controls, how do we prevent misuse?*" (EFG 105)

This finding aligns with the "funding paradox" identified by Mathuva, Ndunge and Njiraini (2025), which describes the inherent tension between spiritual mission and financial sustainability in faith-based organisations. The paradox is exacerbated by external demands for accountability, which may be perceived as conflicting with the spiritual values of trust and faith. Younger members were particularly vocal in their demands for greater openness and transparency, reflecting generational shifts in expectations regarding organisational governance.

The data further revealed that this tension was not merely theoretical but had practical implications for financial decision-making. In some congregations, the fear of appearing faithless led to the avoidance of formal financial structures, creating vulnerabilities that were exploited by unscrupulous individuals. In others, leaders attempted to strike a balance by implementing informal accountability measures that satisfied neither the demands for transparency nor the desire to maintain spiritual trust.

II. Theme 2: Governance Gaps

Governance gaps emerged as a significant theme, characterised by the disconnect between written policies and actual practice. While many churches had constitutions, financial policies and governance structures on paper, these were frequently applied poorly or ignored altogether in practice. Decision-making was heavily centred on pastors, leaving members and finance committees feeling excluded from meaningful participation.

> "*We have a constitution that says the finance committee should approve all expenditures, but in practice, the pastor makes all the decisions. The committee just rubber-stamps things.*" (EFG 113)

This finding is consistent with research by Ribeiro et al. (2025), who documented significant challenges in strategic planning implementation within Christian churches, including the centralisation of financial decisions in leadership and the low participation of members and

employees. The disconnect between biblical ideals of shared leadership and the practice of personality-driven, top-down authority was highly visible across denominations and regions.
The consequences of governance gaps were manifold. In churches where pastors held unilateral authority over financial decisions, members reported lower levels of trust and engagement, and there was an increased risk of financial mismanagement. Conversely, churches with functional finance committees and genuine member participation demonstrated higher levels of congregational trust and financial stability. However, the data revealed that even where committees existed, their roles were often ceremonial rather than substantive, with pastors retaining effective control over financial decisions.

Sub-theme: Policy Implementation Challenges

A related sub-theme concerned the challenges of policy implementation. Even when formal policies existed, they were often poorly communicated, inconsistently applied, or undermined by cultural norms that prioritised deference to spiritual authority. In some cases, policies were deliberately circumvented when they conflicted with the preferences of powerful leaders, creating a culture of selective compliance that eroded accountability.

III. Theme 3: Leadership Style and Its Effects

Leadership style emerged as a critical factor in navigating the tensions between faith and accountability. Transformational leaders, characterised by their ability to inspire vision and motivate change, encouraged innovation, strategic planning and member involvement in financial decision-making. Servant leaders, who prioritised humility, empathy and service, nurtured trust, ethical standards and stronger community ties. Significantly, churches that combined both approaches achieved superior outcomes: they managed transitions more effectively, reported higher member satisfaction, and struck a better balance between visionary leadership and relational care.

> *"I try to inspire my congregation with a vision of what we can become, but I also listen to their concerns. When people feel heard, they are more willing to trust leadership with finances."* (EFG 107)

This finding supports research by Reed (2023), who found that leaders who integrated vision and inspiration with humility and service achieved stronger sustainability and higher member engagement. The research further suggests that the combination of transformational and servant leadership is particularly effective in faith-based contexts, where both spiritual authority and relational trust are essential for effective governance.

Sub-theme: Leadership Development Gaps

The data also revealed significant gaps in leadership development. Many pastors and lay leaders had received limited training in financial management, governance or strategic planning. Their leadership formation had focused primarily on spiritual development, leaving them under-prepared for the administrative and financial responsibilities of church leadership. This gap was particularly pronounced in Pentecostal and Evangelical contexts, where spiritual authority was often prioritised over administrative competence. Consequently, many leaders relied on intuition, trial and error, or informal advice, rather than established best practices in financial governance.

IV. Theme 4: Cross-Denominational and Regional Differences

Cross-denominational and regional comparisons revealed how history, culture, resources and regulatory environments shape governance practices. Protestant churches, benefiting from well-established denominational structures, typically had more formal financial systems, though smaller congregations struggled to apply these consistently. Pentecostal churches, by contrast, depended more heavily on charismatic leadership, which sustained loyalty and engagement but also created resistance to external accountability and left transparency weaker. Evangelical churches exhibited a mixed pattern: some adopted corporate-style management approaches, while others remained trust-based and informal.

"In the US, donors expect transparency. If we don't show them where their money is going, they stop giving." (EFG 110)

Regional differences were equally significant. African churches leaned toward communal trust and hierarchical authority, where financial decisions were often made collectively by elders or pastoral leaders and accountability was primarily relational rather than procedural. North American churches were more shaped by regulatory requirements, donor expectations and stricter accountability frameworks. This finding is consistent with research by Chembo and Yohane (2025), who documented significant challenges in financial management practices in Zambian churches due to cultural influences and limited financial literacy.

Sub-theme: Resource Constraints

A related sub-theme concerned resource constraints. Smaller churches in both regions faced significant challenges in implementing formal financial systems due to limited financial resources, lack of trained personnel, and competing priorities. Many relied on volunteers who lacked financial expertise, increasing the risk of errors or mismanagement. In some cases, churches pooled resources through denominational networks to access professional financial services, but this was more common in North America than in Sub-Saharan Africa, where denominational support structures were often weaker.

Integration of Quantitative and Qualitative Findings

Table 9: Joint Display — Quantitative Predictors and Qualitative Themes

Quantitative Predictor	Statistical Result	Related Qualitative Theme
Financial management structure	*r* = .82 with sustainability	Governance Gaps — policies exist but are inconsistently enforced
Transparency	*r* = .76 with congregational trust	Tension between Faith and Accountability
Accountability mechanisms	*r* = .71 with financial stability	Governance Gaps — layered oversight is rare
Leadership effectiveness	*r* = .74 with governance quality	Leadership Style and Its Effects

DISCUSSION

This section interprets the quantitative and qualitative findings together and answers the study's research questions.

Financial Management Structures and Sustainability (RQ1)

RQ1 asked about the relationship between financial management structures and sustainability. The strong correlation (*r* = .82, *p* < .001) and the fact that financial structure was the largest regression predictor (β = .34) confirm that formal financial systems are central to ecclesiastical sustainability. This finding is consistent with stewardship theory's emphasis on accountable resource management (Davis, Schoorman & Donaldson, 1997) and with prior evidence that written policies reduce the risk of mismanagement (Agyei, Ofori & Mensah, 2021).

The qualitative data revealed that governance gaps persist because policies exist on paper but are applied poorly or ignored, supporting the quantitative finding that only 32% of churches have written financial policies. This aligns with research by Chembo and Yohane (2025), who found that financial management practices in Zambian churches face significant challenges due to limited financial literacy and lack of effective internal control mechanisms.

The finding that formal budgeting is strongly associated with church size (χ^2 = 23.47, *p* < .001) suggests that smaller churches face particular challenges in implementing formal financial systems, consistent with research by McDaniel (2025), who noted that small churches often rely on informal systems with little documentation.

Governance, Leadership, Trust and Resilience (RQ2)

RQ2 asked how governance and leadership shape trust and resilience. Transparency's strong association with congregational trust (*r* = .76) and leadership effectiveness's association with governance quality (*r* = .74) together indicate that governance and leadership operate as mutually reinforcing, rather than separate, drivers of institutional resilience — supporting the integration of stakeholder theory and transformational/servant leadership theory adopted in the theoretical framework.

The finding that transparency is strongly associated with congregational trust aligns with research by Bayno, Haule and Temu (2025), who found that financial accountability, as reflected in a high level of transparency and responsiveness to key stakeholders, is crucial for building trust in religious organisations. The qualitative theme of "Tension between Faith and Accountability" revealed that leaders fear that formal systems will be read as a lack of trust in God, even as members push for greater transparency, reflecting the "funding paradox" identified by Mathuva, Ndunge and Njiraini (2025).

The finding that leadership effectiveness is strongly associated with governance quality supports research by Kalito (2024), who found that effective leadership characterised by financial transparency, accountability, and stewardship is crucial in promoting optimal financial management in African congregations. The qualitative theme of "Leadership Style and Its Effects" revealed that churches combining transformational and servant leadership approaches managed transitions better and had more satisfied members, supporting research by Reed (2023) and Afolabi (2024).

Tension Between Spiritual Authority and Administrative Accountability (RQ3)

RQ3 asked how leaders and members experience the tension between spiritual authority and administrative accountability. The qualitative themes particularly "Tension between Faith and Accountability" and "Governance Gaps" show that this tension is lived, not merely theoretical: leaders fear that formal systems will be read as a lack of trust in God, even as members (especially younger ones) push for greater transparency.

This mirrors Tourish's (2020) caution that unchecked charismatic authority can crowd out accountability, and extends it by showing the specific fear (loss of spiritual trust) that motivates resistance to formal systems in this sample. The finding also reflects what Mathuva, Ndunge and Njiraini (2025) identified as a "funding paradox" a tension between spiritual mission and financial sustainability, exacerbated by external demands for accountability.

The qualitative data revealed that smaller congregations were especially disadvantaged, lacking the resources or trained personnel to install proper systems and relying heavily on volunteers who often lack expertise. This finding aligns with research by Chembo and Yohane (2025), who found that financial management practices face significant challenges due to limited financial literacy and cultural influences.

CONCLUSION

This study examined how financial management, governance, leadership and spiritual integrity jointly shape church sustainability. In answer to RQ1–RQ4, the findings show that sustainability depends on an integrated approach rather than any single factor: formal financial structures are the strongest predictor of sustainability (RQ1); transparency and effective leadership jointly strengthen trust and resilience (RQ2); leaders and members experience a real, ongoing tension between spiritual authority and administrative accountability (RQ3); and this tension can be addressed through the four-pillar Integrated Ecclesiastical Sustainability Model — governance structure, transparency and communication, professional development, and strategic planning — proposed here (RQ4).

The study makes several contributions to knowledge. Theoretically, it extends the application of stewardship theory, resource dependence theory, stakeholder theory, transformational leadership theory and servant leadership theory to the context of church financial management and sustainability, providing an integrated framework for understanding how these factors jointly influence organisational outcomes. Empirically, it contributes to the limited body of comparative research on church financial management in Sub-Saharan Africa and North America, providing rich quantitative and qualitative data that illuminate the challenges and opportunities facing churches in both regions. Practically, the findings provide actionable recommendations for church leaders, denominational bodies, and theological institutions seeking to strengthen financial stewardship and organisational sustainability.

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