Strategic Direction and Financial Sustainability of Faith-based Organizations

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Abstract- Faith-based organizations have a long history of meeting important community needs. However, despite their important role in providing social services and meeting key community needs, these organizations have been prone to financial instability. Determination of strategic direction in an organization is an important strategic leadership practice since the leader of an organization is mostly charged with long and short-term decisions of the organization. This study sought to evaluate the effect of strategic direction on the financial sustainability of faith-based organizations. The study was based on the positivism research paradigm, and it adopted explanatory research design. Primary data was collected from 198 leaders working as directors, heads of departments, and heads of units in a faith-based organization. Descriptive analysis revealed that strategic direction is practiced at a moderately high level by faith-based organizations affiliated to Wycliffe Global Alliance as shown by an aggregate mean of 4.41 and a standard deviation of 0.711. It also revealed that financial sustainability was at a moderate level as shown by an aggregate mean of 4.33 and a standard deviation of 0.753. The study established through multiple regression analysis that determining strategic direction has a significant and positive effect on the financial sustainability of faith-based organizations. The study concluded that, if supported and fully utilized, strategic direction could strengthen faith-based organizations' financial sustainability. The researcher recommends that faith-based organization leaders should provide an environment that is favourable for strategic direction to be practiced effectively as part of the effort to strengthen financial sustainability.

Index Terms- Vision, Mission, Strategic Intent, Strategic Objectives, Strategic Direction, Financial Sustainability, Faith-based Organizations

I. Introduction

The role of faith-based organizations in the provision of social services and meeting key societal needs has led to the transformation of society (Mawudor, 2016). Despite their important role, these organizations particularly in Africa, struggle to sustain the financial resources required to effectively realize their mission (Garcia-Rodriguez & Romero-Merino, 2020). This situation has been attributed to a new and unstable operating environment that affects both profit-making and non-profit organizations (Currie et al., 2012; Hughes & Beatty, 2011). The strategic response of a leader, therefore, becomes crucial to the survival of an organization (Franklin, 2016). This situation, also calls for more people in organizations to be engaged in strategic leadership (Hughes & Beatty, 2011, p. 2) since "strategic leadership practices can help organizations enhance performance while competing in turbulent and unpredictable environments" (Ireland & Hitt, 2005, p. 63).

Various authors have described specific strategic leadership practices in an organizational setting. According to Jooste and Fourie (2009) "strategic leadership practice is a leader's ability to anticipate, envision, maintain flexibility, think strategically, and work with followers to commence changes that create a viable future for the organization." (p. 351). According to Hitt, Ireland, et al. (2016) strategic direction is one of the key strategic leadership practices that makes strategic leadership effective in a turbulent and constantly changing operating environment.

Determining the organization's strategic direction entails articulating a realistic and clear statement on the reason for the organization's existence and what is distinctive about it (Hitt, Ireland, et al., 2016). Strategic direction helps organizational leaders to be strategic and orderly in the daily leadership of their organizations (Olaka et al., 2017). When that happens, the vision or purpose statement then empowers the organizational members to craft and execute strategies aligned to the vision of the organization (Slawinski, 2007). Strategic direction in an organization is evidenced by strategic intent, vision and mission, and strategic objectives (Ireland et al., 2013).

The mission describes the reason for an organization's existence while the vision is a statement that sets direction and shows what the organization desires to be in the future (Pearce & Robinson, 2011). Clarity and effective communication of strategic statements to all the members of the organization is important for the organization's success. The responsibility of ensuring accurate crafting, articulation, and communication of vision and mission to all the members of the organization lies with the top-level leaders (Hitt, Ireland, et al., 2016). The leadership also ensures that all the

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members of the organization are inspired toward the accomplishment of the vision by undertaking what is stipulated in the organization's mission (Galperin et al., 2019). The mission can be achieved only if the leadership is dedicated to it as demonstrated by their actions loading in the direction of the vision stated (Senaji et al., 2014).

II. STATEMENT OF THE PROBLEM

Faith-based organizations in Africa have been significant and active contributors to the welfare of society through the provision of social services and programs that improve community wellbeing (Mitchell, 2017). However, many faith-based organizations in Africa continue to struggle in developing and maintaining the financial resources required to undertake their mission (Renoir & Guttentag, 2018). This is evidenced by their inability to continue offering services to their target population whenever there is a shakeup in their usual sources of income (Omeri, 2015).

Faith-based organizations in various parts of the world offer diverse key services to society that is aimed at the overall enhancement of the welfare of humanity (Ahmed, 2013). These faith-based organizations face a diverse and complex range of issues. Faith-based organizations, however, are challenged by internal as well as external management challenges which they must overcome to realize their goals (Kitonga, 2016).

For most faith-based organizations the financial instability challenges they face arise from their operating environment and include declining donations, reduced funding from their partners, low economic levels, increased needs of their target groups, and increased scrutiny of their charitable role from governments (Arhin, Kumi, & Adam, 2018; Curry, 2011). Heist and Cnaan (2016) noted that giving to international non-governmental organizations gradually declined between 2008 and 2015 by $22.26 billion which consequently affected the provision of services by non-governmental organizations. Statistics indicate that of the 60% of the USA-based international development organizations, are faith-based organizations of which the majority operate in sub-Saharan Africa (Green, 2020). This is also in line with Van Wees and Jennings (2021) finding that faith-based organizations in sub-Saharan Africa provide approximately 50% of health and educational services.

Owing to changes in their income streams, some faith-based organizations have suspended, stopped, or continued their operations at a minimal scale. Since faith-based organizations in Africa rely mostly on external funding for the continuity of their missions, funding cuts have often resulted in reduced or no services to the intended beneficiaries (Mawudor, 2016). Because of these setbacks and the diversified range of services offered by faith-based organizations, it is important that strategic leaders establish the strategic direction for the organizations they lead.

Even though faith-based organizations existed for a long time in Africa, very few researchers studied the direct relationship between strategic direction and financial sustainability in these organizations (Grandy, 2013). Furthermore, the leadership models, which are dominant in most faith-based organizations, are servant leadership, charismatic leadership, and transformational leadership, and it calls for further research to establish if strategic direction being one of the key practices of strategic leadership can add value to faith-based organizations in their efforts for financial sustainability (Worden, 2005).

III. CONCEPTUAL AND EMPIRICAL REVIEW

A. Strategic Direction

The determination of strategic direction in an organization is an important practice in strategic leadership. It refers to the development of a longer-term vision for the organization (Ireland & Hitt, 2005). Strategic leaders bear the responsibility to ensure everyone in the organization understands the overall direction of the organization (Kitonga, 2017). According to Lear (2012) "determining strategic direction is focusing on the organization on a long-term vision with a view to at least five years in the future" (p. 170). Determining the organization's vision or purpose entails articulating a realistic and clear statement on the reason for the organization's existence and what is distinctive about it. When that happens, the vision or purpose statement then empowers the organizational members to craft and execute strategies that align with the organization's vision (Slawinski, 2007). As such, the leader needs to work with stakeholders to determine what purpose it is pursuing (Ireland & Hitt, 2005).

A study by Omoro (2016) showed the important role of strategic direction in the effective strategy implementation at GDC. Additionally, the strategic direction was seen by Olaka et al. (2017) as a facet that aids organizational leaders to be strategic and orderly in the day-to-day leadership of their organizations. The establishment of strategic direction in an organization is evidenced by strategic intent, the vision, and mission, and determining strategic objectives (Ireland et al., 2013).

Strategic direction comprises the development of a longer-term vision of the organization's intent. A long-term vision characteristically considers a duration of 5 to 10 years ahead. The purpose and vision of an organization align with what is done by people across the organization. It is important for the leader to create continuous tension between what is desired in the future and the present elements that could hamper progress. Leaders are therefore expected to create burning platforms on a continuous basis to make it impossible to maintain the status quo in the organization. Thompson et al. (2013) highlighted improved financial performance and strong bottom-line performance as the key importance of strategy in organizations. Effective formulation of strategy and its implementation has a positive and significant effect on earnings, return on investment, and revenue growth (Tapera, 2014).

Strategic Intent

According to Hamel and Prahalad (1989), there is a need for an organization to combine mission and vision statements to form a strategic intent. This is a statement that is both inspirational and concrete, to empower people and teams to know exactly what they were trying to do and what they were not trying to do. Hamel and Prahalad (2005) defined strategic intent as more than simply unfettered ambition. While many things have changed, people still need stability, and strategic intent is a useful concept in the alignment of everyone's beliefs and actions in the organization towards goals that are challenging (Kola, 2020).

Faith-based organizations should therefore align their capabilities and strategic actions for the attainment of the desired performance (Hanafizadeh & Ravasan, 2011). The strategic intent concept allows the introduction of important core competencies that further stimulate the attainment of higher performance. Strategic intent assures an organization's strategic performance through the provision of focus, motivation, and direction for the whole organization (Brand, 2010).

Vision and Mission

A vision is a "picture of what the organization wants to be and, in broad terms, what it wants to ultimately achieve" (Hanson et al., 2016, p. 18). It is a statement intended to focus the resources and energies of the organization on attaining the desired future (Pearce & Robinson, 2011). To begin with, the organization conceptualizes its vision by brainstorming ideas, and generating value statements, among other ways. The conceptualization of a vision is a process that can be done by a leader, a committee, or the whole organization. The vision describes the route an organization intends to take in developing and strengthening its activities and lays out the organization's strategic course in preparing for the future. The vision has recently changed from a compelling description of the state and function of the organization to become more of a motivational tool (Bowen, 2018).

The mission is a "unique purpose that sets an organization apart from others of its type and identifies the scope of operations" (Pearce & Robinson, 2007, p. 12). The mission is an expansion of the vision statement and reveals what needs to be done now or needs to be done to attain that vision. A clear mission is essential for the effective establishment of objectives. An organization's mission can be broad or narrow. A good mission provides a unifying force for the whole organization, provides a sense of direction, provides a guide to decision-making for all levels of management, and bridges all stakeholders with the organization and the environment (Bowen, 2018).

Strategic Objectives

The efficient and effective attainment of the objectives of an organization should lead to the accomplishment of the mission. Thompson et al. (2013) define the objectives as targets of an organization's performance. These objectives function as standards against which organizational performance may be measured (Tapera, 2014). These performance targets as noted by Pearce and Robinson (2011) serve as yardsticks for measuring how well the organization is doing. Because long-term objectives are significant measures of performance, they have to be established at the corporate, divisional, and functional levels of the organization (Pearce & Robinson, 2011).

Strategic objectives give the organization a broad set of goals in scope and size to assure the achievement of the mission and ensure its sustainability. To attain these goals, the organization formulates strategies to utilize the resources that are available to attain desired goals within the expected time. Selecting the right ones is critical to the success and survival of all organizations. As the strategic objectives are integrated in organizational plans and used by leaders in operations decision-making, the results are felt in the entire organization (Uraidi & Kumar, 2016).

B. Financial Sustainability

The financial sustainability of a faith-based organization refers to the capability of an organization to maintain resources or funds that give the capability to secure opportunities and respond to uncertain situations while progressing with normal operations (Bowman, 2011b).

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

Income diversification has to do with an organization's need to create multiple income sources to finance its activities adequately, given its set objectives (Mitlin et al., 2007). Income diversification is needed for the continuity of the organization's structure and the provision of services to intended beneficiaries even after financial support from donors ceases (Renz, 2016). A faith-based organization is seen to be financially sustainable when its capacity to progress with its work is not to be harmed whenever one or more funding sources are not there (Pratt et al., 2012). According to Saungweme (2014), income diversification is demonstrated in the organization's capability to increase the sources of income to incorporate more local and internal donor sources. To build a sustainable non-profit organization, therefore, both internal and external dimensions have to be considered since there is a key correlation between diversity in income and the financial sustainability of non-profit organizations (Omeri, 2015; Saungweme, 2014).

Donor relationship management entails undertaking deliberate efforts to constructively engage the donors in the activities of the organization (Mitlin et al., 2007), "resource mobilization through designing a comprehensive resource mobilization strategy, and building capacity to develop and market successful projects to attract new donors" (Omeri, 2015, p. 705). After establishing the first connection between a faith-based organization and the donor, maintaining a good relationship going forward is an important aspect (Omeri, 2015).

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

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V. RESEARCH METHODOLOGY

This research relied on structured data and was built on the positivist research approach. The study used explanatory research design which helped to examine and explain the relationships between strategic direction and financial sustainability (Saunders et al., 2016). The primary data for the study was collected from 198 top-level leaders comprising directors, heads of departments, and heads of units from faith-based organizations affiliated to Wycliffe Global Alliance in Africa. The researcher did a census of the target population. A structured questionnaire was used in this research for the collection of primary data. The research tool had a five-point likert scale with strongly agree on one end of the continuum and strongly disagree on the other end. In this study, the data collected was checked by the researcher to ensure all expected responses reflected expectations and also to check for any inconsistent or false information (Nanda et al., 2013). The data was then coded and tabulated, then using Statistical Package for Social Sciences (SPSS) version 27, descriptive and inferential statistics were worked out.

VI. RESEARCH FINDINGS

Response Rate

The rate of respondent response for this study was 75.8%. Primary data was received from 150 questionnaires out of the expected 198 responses.

Strategic Direction in Faith-based Organizations

The respondents were asked to choose whether they strongly disagreed, disagreed, were undecided or neutral, agreed or strongly agreed that strategic direction was being exercised in their organizations. The response results are summarized in Table 1 below.

Table 1: Descriptive Analysis for Determining Strategic Direction

	SD Freq. %	D Freq. %	N Freq. %	A Freq. %	SA Freq. %	Total Mean	SD
Vision and Mission:							
Vision and mission clearly defined in strategic documents	2 1.3%	0 0.0%	2 1.3%	30 20.0%	116 77.3%	4.72	0.625
Periodical review of vision and mission statements when necessary	3 2.0%	7 4.7%	15 10.0%	58 38.7%	67 44.7%	4.19	0.939
Clear and well-known vision and mission	3 2.0%	4 2.7%	11 7.3%	80 53.3%	52 34.7%	4.16	0.828
Vision and mission that inform the organization's focus and priorities	0 0.0%	1 0.7%	3 2.0%	46 30.7%	100 66.7%	4.63	0.561
Sub variable aggregate: Mean/Standard deviation						4.42	0.753
Strategic Intent:							
Formal and a robust process followed in establishing strategic direction	1 0.7%	3 2.0%	14 9.3%	69 46.0%	63 42.0%	4.27	0.766
Strategies consistent and supportive of organization mission and vision	1 0.7%	2 1.3%	6 4.0%	55 36.7%	86 57.3%	4.49	0.702
Program objectives and activities that are in line with mission statement	0 0.0%	0 0.0%	5 3.3%	44 29.3%	101 67.3%	4.64	0.547
Sub variable aggregate: Mean/Standard deviation						4.46	0.677
Strategic Objectives:							
Approved plans and budgets supportive and consistent with mission	0 0.0%	2 1.3%	11 7.3%	69 46.0%	68 45.3%	4.35	0.677
Decisions and actions show those involved understand the mission	0 0.0%	3 2.0%	10 6.7%	82 54.7%	55 36.7%	4.26	0.670
Sub variable aggregate: Mean/Standard deviation						4.30	0.673
Aggregate: Mean/Standard deviation						4.41	0.711

Source: Research Data (2021)

The above results show an aggregate mean response of 4.42 for vision and mission, 4.46 for strategic intent, and 4.30 for strategic objectives. The aggregate mean score for strategic direction was 4.41. This signified that a greater proportion of the respondents agreed that strategic direction was being practiced among organizations affiliated to Wycliffe Global Alliance in Africa. This is a similar finding to the one of a study by Jonyo (2018) who found out that the majority of the respondents agreed that defining strategic direction was being practiced in private universities in Kenya. Kitonga (2017) also established that respondents agreed that determining strategic direction was being practiced by non-profit organizations in Nairobi County.

The highest mean was recorded in the statements, "My organization's vision and mission are clearly defined in strategic documents" with a mean of 4.72 and "My organization's program objectives and activities are in line with the organization's mission statement" with a mean of 4.64. The lowest mean was recorded in the statements; "The vision and mission of my organization are clear and well known by all the staff" with a mean of 4.16, "My organization periodically reviews its vision and mission statements and revises it whenever it is necessary" with a mean of 4.19 and "The decisions and actions in the organization show that those involved understand the organization's mission" with a mean of 4.26.

Financial Sustainability of Faith-based Organizations

The respondents were asked to rate the level of financial sustainability in their organizations by choosing either strongly disagreed, disagreed, undecided, neutral, agreed, or strongly agreed to various measures of financial sustainability in a non-profit organization. The results of the responses are presented in table 2 below.

Table 2 Descriptive Analysis for Financial Sustainability

The financial sustainability level of the organization	SD Freq. %	D Freq. %	N Freq. %	A Freq. %	SA Freq. %	Total Mean	SD
Income Diversification:							
Mobilizes funds from different sources	2 1.3%	1 0.7%	9 6.0%	65 43.3%	73 48.7%	4.37	0.747

Funding is at least obtained from five different sources	2 1.3%	17 11.3%	43 28.7%	47 31.3%	41 27.3%	3.72	1.031
Procedures and mechanisms followed to access resources	0 0.0%	0 0.0%	6 4.0%	49 32.7%	95 63.3%	4.59	0.569
There is a plan for fundraising and development	3 2.0%	5 3.3%	12 8.0%	60 40.0%	70 46.7%	4.26	0.893
Mobilize income from sources that are within the values of the organization	4 2.7%	7 4.7%	13 8.7%	59 39.3%	67 44.7%	4.19	0.965
Able to attract funding by use of good funding proposals	2 1.3%	2 1.3%	16 10.7%	62 41.3%	68 45.3%	4.28	0.812
Sub variable aggregate: Mean/Standard deviation						4.23	0.849
Donor Relationship Management:							
Receives subsidies from the government and donors	17 11.3%	31 20.7%	53 35.3%	40 26.7%	9 6.0%	2.95	1.083
Maintains regular, meaningful communications with its donors	0 0.0%	1 0.7%	0 0.0%	52 34.7%	97 64.7%	4.63	0.523
Actively implements vision building activities	0 0.0%	5 3.3%	12 8.0%	66 44.0%	67 44.7%	4.30	0.758
Accounts for the funding it receives through regular expenditure reports	1 0.7%	0 0.0%	4 2.7%	35 23.3%	110 73.3%	4.69	0.592
Complies with donor guidelines in donor sponsored activities	1 0.7%	0 0.0%	5 3.3%	43 28.7%	101 67.3%	4.62	0.620
Stronger relationship with its donors	0 0.0%	2 1.3%	9 6.0%	55 36.7%	84 56.0%	4.47	0.673
Ensures accurate and timely accounting of funding from donors	0 0.0%	0 0.0%	4 2.7%	48 32.0%	98 65.3%	4.63	0.538
Established constructive alliances and networks with donors	1 0.7%	0 0.0%	19 12.7%	64 42.7%	66 44.0%	4.29	0.738
Sub variable aggregate: Mean/Standard deviation						4.32	0.710
Financial Management Systems:							
Regularly does financial plans and budget reviews	0 0.0%	5 3.3%	7 4.7%	56 37.3%	82 54.7%	4.43	0.737
Financial reporting structures that ensure good accountability	0 0.0%	1 0.7%	8 5.3%	61 40.7%	80 53.3%	4.47	0.631
Financial reporting is efficient and effective	1 0.7%	2 1.3%	13 8.7%	56 37.3%	78 52.0%	4.39	0.758
Operations are done according to budgetary allocations	0 0.0%	0 0.0%	12 8.0%	60 40.0%	78 52.0%	4.44	0.640
Maintains an updated assets list	0 0.0%	1 0.7%	25 16.7%	61 40.7%	63 42.0%	4.24	0.748
Controls financial expenditure through operational policies	0 0.0%	0 0.0%	7 4.7%	63 42.0%	80 53.3%	4.49	0.588
Competent board which give oversight for all financial dealings	1 0.7%	3 2.0%	13 8.7%	49 32.7%	84 56.0%	4.41	0.787
Audited every year by a qualified external auditor	0 0.0%	5 3.3%	16 10.7%	31 20.7%	98 65.3%	4.48	0.817
Sub variable aggregate: Mean/Standard deviation						4.42	0.717
Aggregate: Mean/Standard deviation						4.33	0.753

Source: Research Data (2021).

The above results show a mean average response of 4.33 for financial sustainability. The highest mean was recorded in the statement, "My organization accounts for the funding it receives by providing regular reports on its expenditure" with a mean of 4.69, and "My organization complies with donor guidelines in donor sponsored activities" with a mean of 4.62. The lowest mean was recorded in the following statements; "My organization receives subsidies from the government and donors" with a mean of 2.95, "My organization's funding is at least obtained from five different sources" with a mean of 3.72, "My organizations funding is at least obtained from five different sources" with a mean of 3.72, "My organization only mobilize income from sources that are within the values of the organization" with a mean of 4.19, "There is a plan for fundraising and development in my organization" with a mean of 4.26 and "My organization can attract funding by use of good funding proposals" with a mean of 4.28.

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

Effect of Strategic Direction on Financial Sustainability

In order to determine the effect of strategic direction on financial sustainability, multiple regression analysis was done. The analysis results are shown in the table below.

Table 3 Multiple Regression Coefficients for Strategic Direction and Financial Sustainability.

Model Summary:

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change

1	.537[a]	0.288	0.285	0.33603	0.288	88.880	3	657	0.001

a. Predictors: (Constant), Strategic Intent, Vision and Mission, Strategic Objectives

ANOVA:

Model		Sum Squares	ofdf	Mean Square	F	Sig.
	Regression	30.108	3	10.036	88.880	.001[b]
1	Residual	74.287	658	0.113		
	Total	104.395	661			

a. Dependent Variable: Financial Sustainability

b. Predictors: (Constant), Strategic Intent, Vision and Mission, Strategic Objectives

Coefficients:

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.287	0.118		19.439	0.001
	Vision and Mission	0.080	0.028	0.124	2.832	0.005
	Strategic Intent	0.104	0.034	0.145	3.098	0.002
	Strategic Objectives	0.244	0.030	0.350	8.271	0.001

a. Dependent Variable: Financial Sustainability

Source: Research Data (2021)

An R-value of 0.537 in the model reveals a strong positive correlation between strategic direction and financial sustainability (Cooper & Schindler, 2014). The adjusted R^2 value of 0.285 indicates that 28.5% of the variation in financial sustainability (dependent variable) was explained by strategic direction (vision and mission, strategic intent, and strategic objectives) which are the independent variables for the study. The remaining 71.5% of the variation in financial sustainability was due to other variables not covered by the study.

The ANOVA results indicate a p-value of 0.001. Since it is lower than 0.05 it means that the regression relationship was significant in predicting how strategic direction (vision and mission, strategic intent, and strategic objectives) affect the financial sustainability of organizations that are affiliated with the Wycliffe Global Alliance in Africa. Since the F statistic of 88.880 is more than the critical F value (3,658) of 2.66 it shows that the overall regression model was adequate and a significant predictor of financial sustainability (Hair et al., 2019).

The beta coefficients in table 3 above describe the mathematical relationship between the dependent variable and each independent variable. The p-values for the coefficients indicate whether these relationships are statistically significant (Kumari & Yadav, 2018). Taking all factors (vision and mission, strategic intent, and strategic objectives) constant at zero, financial sustainability is 2.287. The results also show there will be a 0.124 change in financial sustainability when there is a unit change in the mission and vision when all other factors are held constant. Similarly, with all other factors held constant, an increase in strategic intent by one unit would produce a 0.145 increase in financial sustainability. In the same way, a unit increase in strategic objectives produces a 0.350 increase in financial sustainability when all other factors are held constant.

The three variables, vision and mission, strategic intent, and strategic objectives were found to be significant in predicting the financial sustainability of organizations that are affiliated to Wycliffe Global Alliance in Africa since they had p-values higher than 0.05. In the same way, all the three variables' t-statistics were higher than the critical t-value of 1.65 implying that they were significant in predicting financial sustainability (Sekaran & Bougie, 2016).

The study, therefore concluded that vision and mission, strategic intent, and strategic objectives have a significant positive effect on the financial sustainability of faith-based organizations.

VII. DISCUSSION

This study sought to assess the effect of strategic direction on the financial sustainability of faith-based organizations affiliated to Wycliffe Global Alliance in Africa.

The descriptive analysis of the strategic direction variables revealed an average mean score of 4.42 which indicated a high level of practice and emphasis on strategic direction among faith-based organizations. However, there were strategic direction elements that on average had a lower rating by respondents. The elements of the strategic direction that were rated low included; ensuring there is a clear and well-known vision and mission, periodical reviews of vision and mission statements and revision when necessary, and ensuring those involved in decision making understand the organization's mission. Correlation results also indicated a moderate positive relationship existed between strategic direction and financial sustainability as shown by a Pearson correlation coefficient of 0.484. This indicates that financial sustainability increases in direct proportion to strategic direction in faith-based organizations affiliated to Wycliffe Global Alliance in Africa. The multiple regression results showed that the effect of strategic direction on the financial sustainability of faith-based organizations affiliated with Wycliffe Global Alliance was positive and significant.

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

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

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VIII. CONCLUSION

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

IX. RECOMMENDATIONS

To improve on strategic direction, faith-based organizations affiliated to Wycliffe Global Alliance in Africa can focus their efforts on strategic direction indicators that were rated the lowest and the specific lowly rated items namely; having a clear and well-known vision and mission, doing periodic reviews of vision and mission statements, and ensuring those involved in decision-making understand the organization's mission (Ireland et al., 2013; Pearce & Robinson, 2011).

AREAS FOR FURTHER STUDY

This study used qualitative financial measures for financial sustainability identified by Mitlin et al. (2007) and Milelu (2018) namely income diversification, donor relationship management, and financial management practices. This study proposes that further research be done using quantitative financial measures for financial sustainability.

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