EFFECTS OF FINANCIAL LITERACY LEVELS OF CHURCH LEADERS ON FUNDS MANAGEMENT OF START UP CHURCH ORGANIZATIONS: A CASE OF KASARANI CONSTITUENCY, NAIROBI KENYA

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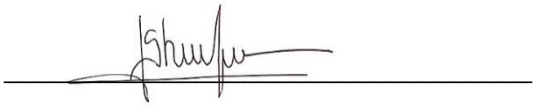
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DECLARATION

I declare that this document and the research that it describes are my original work and that they have not been presented in any other university for academic work.

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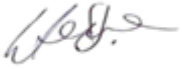


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This research was conducted under my supervision and is submitted with my approval as appointed university supervisor.

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EXAMINERS' SIGNATURES

We have examined this document and the research has met or exceeded the requirement for the degree sought, in addition, the candidate has sufficiently defended the material presented to merit the awarding of the degree of (the name of the degree being awarded)

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Internal/External examiner – (Typed name)

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Notes: (Pass, Pass with Distinction)

DEDICATION

To my Parents Oscar and Feza Hosseya, my family, and to the GCI family.

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I would like to celebrate my supervisor, Prof. Stephen M. Nyambegera, for his guidance, support, intellectual contributions and most of all, patience towards me through process of the writing of the project. I would also like to thank Dr.Moses owino, Dr. Musembi, Dr. Kiprop Kibos, Dr. Stella Karimi, Dr. Samson Machuka and Dr. Wanjiru Nderitu for their guidance and insight throughout the same.

ABSTRACT

The regulation of church finances has proven to be difficult for governments and their respective regulatory bodies all over the world. The same is notable in Kenya as regulators and policymakers struggle to draw the line between the nature of religious organizations and their evident financial operations that keep growing as the number of believers' increase. The fact is that policies and regulations are based on the infrastructures provided by the academic levels of knowledge within a specific field. Whereby, to financially regulate churches, there must be a screening to determine which levels of academic literacy can be considered the base line for the creation of adequate structures for policies for this purpose. Therefore, the study sought to investigate the effects of the different levels of financial literacy on fund management of start-up churches. The study was guided by three specific objectives: firstly, to analyze how the advanced levels of financial literacy affect fund management of start-up churches in Kasarani Constituency. Secondly, to evaluate the efficiency of the intermediate levels of financial literacy church leaders fund management of start-up churches and finally to access the extent to which the beginner levels of financial literacy church leaders affect the fund management of start-up churches. The researcher adopted the descriptive design. Through the multistage sampling approach, the respondents—church leaders—were taken from 20 different and distinct churches within the same county. Then Strata groups were used to categorize respondents. The first strata group consisted of the 3 levels of the organization's management (Table 3.5.1), the sub-strata groups consisted of the 3 levels of financial literacy (Table 3.5.2) which provided the actual respondents. The number of respondents was of 139 church leaders who manage and oversee church organizations that have less than 5 years of operation since conception. Primary data was collected using a structured questionnaire, while secondary data was collected through journals, articles, internet searches and censuses. The data collected was processed through the Statistical Package for the Social Sciences application, and the findings were analyzed and presented using figures and tables. The findings revealed that advanced levels of financial literacy among church leaders positively influenced fund management for start-up churches, whereas the intermediate or the beginner levels showed no significant impact. The study was grounded in the theory that behaviors and practices, rather than academic knowledge alone, shape leadership effectiveness. Despite the importance of financial education, the findings underscored the significance of contextual factors. the study suggested further examination of the intermediate level's influence on fund management, given the potential sampling errors. Recommendations included prioritizing advanced financial education for church leaders, advocating for tailored financial management courses, and emphasizing the importance of behaviors and practices in fund management. It was also suggested that future research should focus on refining measures of financial literacy and exploring the role of academic qualifications in the enhancement fund management accountability.

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DEFINITION OF TERMS

Certified professionals: operationally defined, holders of CPAs or Professional certifications in finance.

Start-up churches: for the purpose of this study, churches having less than 5 years in operation.

Financial novices**:** for the purposes of this study, graduates of other fields of study other than finance.

Beginner levels: operationally defined, holders of no professional certifications of financial courses.

Intermediate levels: for the purpose of this study, holders of certifications of short financial trainings or courses.

Advanced levels: University graduates and certified professionals

Degrees: for the purposes of this study, levels of knowledge.

ABBREVIATIONS

CSR	Corporate Social Responsibility
CRO	Church related organizations
CPA	Certified Public Accountant
MTN	Mobile telephone Network
UTL	Uganda Telecom
IFRS	International Financial Reporting Standard
NCCK	National Council of Churches of Kenya
SCVI	Score Content Validity Index
ICVI	Item Content Validity Index
UA	Universal Agreement
ANOVA	Analysis of variance
SPSS	Statistical Package for the Social Sciences
OECD	Organization for Economic Co-operation and Development
NACOSTI	National Council of Science Technology and Innovation

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CHAPTER ONE: INTRODUCTION TO THE STUDY

1.1 Introduction

This study set out to investigate the effects of the levels of financial literacy of church leaders on fund management of start-up church organizations in Nairobi, a case study of Kasarani constituency. The independent variable which is levels of financial literacy was defined by the three levels for literacy which are; the advanced levels which deal with university graduates, intermediate levels which deals with certified personnel and beginner levels who are considered financial novices on financial matters. This chapter provided the background of the study, the statement of the problem, the objectives of the study and the research questions the study aimed to answer. Along with the above, the chapter also presented the scope of the study, the significance of the study, the limitations and delimitations of the study encountered. Finally, the conceptual framework that guides the study was also presented.

1.2 Background of the Study

Churches are some of the most difficult institutions governments encounter when it comes to the regulating and making of policies for operations—especially financial operations. Though non-profit organizations, churches just like any other non-profit organizations, need to be regulated for the sake of order and accountability to the various stakeholders. This task has however proven difficult for governments globally as the standards by which the regulations structures are based are too high contrasting the nature and activities of religious organization.

For instance, Hammer (n.d) research on church, law and taxes in America concluded that there was much less agreement concerning the degree to which churches should be subject to governmental regulation. He observed that in united states of America, laws concerning

donations from donor wills or the sale of securities, were opposed by many churches. Because churches are not businesses, they struggle to align with policies made for business organizations and corporations or other types of non-profit organizations. Their claims were that these kinds of governmental assertions of authority were seen as unreasonable intrusions into the life of the church (Hammer, n. d).

As churches are not able to adapt to the current existing financial management policies governing other institutions, they coin their own management and reporting systems. Available literature on church and finances reveal that this is a global issue. In Asia for instance, clear evidence can be noted from research done in Indonesia. Susanti (2020) observed that most Indonesian studies related to the application of accounting standard number 45, called International Financial Reporting Standard (IFRS), in Indonesian Churches, found that churches were not easily adopting the IFRS practice in to their filings and reporting. This, to the detriment of governments, stakeholders and the churches themselves.

A study done by Muskanan, et al. (2020) on the accounting standards in church financial management on Indonesian churches proved that regulators had a problem influencing the church from outside to accept the IFRS accounting practice---which is a professional standard accounting practice in Indonesia—as churches considered it a secular practice (Susanti, 2020). The study demonstrated that there were significant discrepancies between the treasury reports made by churches and the financial statements made through the IFRS system of accounting. In other words, under IFRS systems, the information provided was more relevant to the various stakeholders when it came to assessing the church.

The researcher highlighted that the IFRS activity report revealed quality information for stakeholders—and in particular the management—enabling a better evaluation of the money proportioned into church activity. The research proved that some degree of accounting standards should be mandatory in all non-profit organization in Indonesia, as this would help give stake holder clear and accurate information concerning the financials of such organizations.

The same issues apply to African churches. A study by Kivirri (2021) On the Financial Management and church investments in Church Organizations in Uganda discussed the concept of and the need for improved financial management in church organizations for better performances regarding church investments and their financial accountability. Though the study didn't focus on the particulars of the people managing the resources, the researcher recognized that the Church, though a non-profit-making organization, was in need of stronger and better financial managerial skills in order to improve on its financial performances.

In agreement with financial behavior researcher Strömbäck, the study demonstrated that when there are flawed financial behaviors by members resulting from sub-optimal financial decisions, it would eventually lead to more sub-optimal financial decisions (Strömbäck et al., 2017). Hence, the researcher stated that proper financial management would improve church investments and accountability, (Kiviiri, 2021) which indirectly indicated that Churches would have to get the right people—academically qualified to some extent. Whereas, due to the fact that start-up churches operation teams are usually composed of volunteering persons, there seems to be no standardized educational requirements to be

part of the managing staff at certain levels—as far as governmental regulations are concerned.

The study concluded that Sound financial management is not only crucial for financial health but also for the spiritual health of the Church because this practice would help set its priorities right, monitor its revenue flow, plan its expenditure accordingly, identify and manage financial risks, and build up or diversify the church's portfolio of financial assets to ensure regular flow of financial resources in the future.

In Kenya, there is no clear stated academic requirements for fund management of church organizations. Odiemo (2019), observed that majority of Churches in Kenya want the State to regulate the Church but with the involvement of the Church in the process. On this conflict, a study by Dowie (2019), concluded that the church concerns were whether the state would start to police the church's business dealings for the right reasons rather than political reasons. Yet it is evident that organizations are usually custodians of public funds and are expected to play roles in the socio-economic developments of the communities in which they operate in.

A close observation demonstrates that the underlying issue is that the churches are not necessarily resisting governmental regulations. They are simply fighting for policy infrastructures that are tailored considering the nature and operations of their organizations. Yet these infrastructures relay on the structures provided by the different educational levels in as much as financial literacy is concerned. Thus, the need to access the impact of the various levels of financial literacy on church organizations in order determine a suitable base level.

1.2.1 Financial Literacy levels

Financial literacy is the ability to understand and effectively use various financial skills, including personal financial management, budgeting, and investing. (Fernando, 2021). When it comes to the measuring of literacy, the quantities and qualities of knowledge are generally categorized in to levels since literacy has to do with the degree of comprehension and understanding of a subject matter. Thus, to better understand the degree of comprehension, literacy is divided into three major levels. The novice level also known as the beginner level, the intermediate level and the advanced level also known as the expertise level.

As noted by Langford (2017), the beginner levels of financial literacy enable one to have a better understanding of basic financial concepts, in order to be able to create budgeting and financial plans for the future. While intermediate levels tackle more complex concepts like components of corporate finance and financial concepts at an acceptable academic level such as certifications, the advanced level is the epitome as it handles the highest levels of literacy hence its association with the expertise category. At the advanced levels of literacy, the students gain mastery over particular concepts within specific fields of finance.

1.2.2 Start-up Churches Globally

As of the twenty first century, Christianity is the leading monotheistic religion in the word. Research by Earl (2019), states that the Christian population grows faster than the world population. He stated that, Christianity is growing at a 1.27% rate globally, whereas, the world population is growing at a rate of 1.20%, in a world where the current population stands at 7.7 billion people of which 2.5 billion are Christians.

The above fact would go on to imply that church organizations would have but two alternatives. The first would be to increase the holding capacities of their current facilities

in anticipation of the growth, or to multiply the representation quarters of the churches. The later means, either starting brunches of established churches or planting independent churches, and growing them to autonomy. In any case, the theme still remains the same—planting of new churches.

A study by Cannon (2015), showed that, in America alone, about 4,000 churches were started every year, while about 3,700 closed down and ceased operations. This brings an average of about 300 churches added on a yearly basis, with all else remaining static. Giving such detailed statistics on continents such as Africa and Asia, seems to be quite a challenge as many startup churches operate off the radar of officially registered church organizations.

A clue however, can be seen through the impact of the Christian faith within these continents. Kazeem (2019), remarked that, by 2060, of the top ten countries with the largest Christian population, six of them will be from Africa according to a report by the new Pew Research Center. Focusing on the fact that America counts only about 205 million Christians of the 2.5 billion in the world, with 300 startup churches each year, it is not absurd to estimate the number of startup churches worldwide in their thousands if not tens of thousands yearly.

According to Wikipedia (2018), Kenya is known to be a Christian nation, having 84.8 % of its population adhering to Christianity in all its various forms. In actual figures, based on world bank data, the world bank (2020) states that Kenya had a population of 51,393,010 million people by 2018, with an estimated 2.5% population growth rate yearly. For such a population, the 84.8% figure stated as the Christian population translates to 43,581,272 million people. With consideration to the increasing growth in population, the country has

seen the rise of a multitude of start-up church organizations in an attempt to match the market-like demand of religious based organizations for the purpose of spiritual nourishment of the believers.

An observation by Murani (2023) stated that, the number of registered church organizations had moved up to 4000 under different denominations nationwide, which is a far cry from the hand full numbers in the early 40s when the non-denominational church movements began. However, because most church organizations are not legally registered as per required by law for all religious based organizations, it may be an almost impossible task to have an exact count of church organizations present in the county as of date. For the purposes of research, studies and documentation, relay on the numbers officially recognized by government data.

In a 2007 article by Ethan Cole, the writer had observed that about 6,740 church registration applications were pending in the attorney General's office, with a reported 60 applications adding to the previous on a monthly basis. By 2017, the AG's office had put a temporary ban on church registration (Moseti, 2017). Pertaining to the current official churches, each officially registered and established church has the vision of replicating and duplicating itself as many times as possible. Hence, keeping track of how many start-up churches are in the city of Nairobi is somewhat an almost impossible task as many of the starting churches delay their officialization by delaying their registration.

1.2.3 Kasarani constituency

Through the analysis of the findings of the Kenya National Bureau of Statistics (KNBS), the constituency of Kasarani is the second most populated area in Nairobi with a population of 780,656, with a large number of the residents staying in Githurai (Waliaula 2020). The

county is also recognized as one of the counties most populated with a youth population, as it hosts about nine higher learning institutions of which the USIU University, PAC University, IAT college and the Kenya Institute of special education are but a few of.

With an area of 135.33 km², and a population of over 700,000 Kasarani constituency is one of the electoral Constituencies that make up the county of Nairobi (Wikipedia, para 3). As according to the Google maps website, there are approximately over 40 registered church organizations in the constituency, varying from main stream churches to local founded organizations. However, the count is not accurately represented in terms of the number of church organizations currently operational as many of the start-up churches found there are not yet officially registered as religious organizations as per the Kenya society act requirements.

1.3 Statement of the Problem

The financial regulation of churches has proved to be a significant problem in Kenya. As of to date, the government of Kenya has not imposed precise regulations for the academic requirements for those to work in the fund management section of such institutions. Studies demonstrate that Current standard policies by the government concerning fund management of religious organizations require them to operate alongside standards similar to business corporates (Jobs, 2021). These standards however require very high levels of education that are rare to find in start-up churches as these organizations by nature are not focused on financial services. The need for specialized regulations for churches become even more evident as studies prove that businesses complain about the current regulations being overly burdensome, inefficient, and sometimes inappropriate and unjustified.

This has led to churches creating their own mannerisms of financial management and reporting. Furthermore, each church organization seem to have distinct financial management and reporting practices from others. The lack of standardized practices and requirements for fund management of start-up churches has created a form of chaos. Generally, it is evidenced that there are significant discrepancies between the treasury reports made by churches and the financial statements of other non-profit organizations made through general standard systems of accounting.

The issue is that the quality of management policies relay on the infrastructures provided by the body of knowledge operating within a specific field. In other words, regulations, policy structures and structures of management are based on the infrastructures provided by academic levels of literacy in the specific fields.

However, due to the nature, size and geographical location of start-up religious organizations, their range of specialized financially educated personnel is limited. The issue can only be solved if there is a baseline level of academia. This shows that a study is needed on the impact the various levels of academic knowledge have on financial management in respect to the nature of church.

Which is why this study sought to assess the effects of the various levels of financial literacy on fund performance of such organizations, in order to determine what levels of financial literacy can be considered the adequate minimum requirement by policy makes if such institutions where to be regulated. By comparing the structures and procedures of financial operations in startup churches, with respect to the levels of financial literacy of its managers, a correlation can be drawn to demonstrate how the various levels of financial knowledge affect or serve the purpose of managing funds in religious organization.

1.4 Purpose of the Study

The purpose of this study was to analyze the effects of the various levels of financial literacy upon church leaders in order to determine what level can be considered decent enough as general standard, if the church financial systems were to be regulated. The aim was to determine what levels would be an overkill and which ones would be under-estimation for the task. By so doing, a platform can be created for a settlement between the churches and governmental policy makes on acceptable standard requirements for jobs.

1.5 Objectives of the Study

1.5.1 The General objective of the Study

This study seeks to investigate the effects of financial literacy levels of church leaders upon fund management of start-up churches.

1.5.2 Specific Objectives of the Study

This study will be guided by the following specific objectives:

i. To determine the extent to which advanced levels of financial studies in church leadership affects the management of funds of start-up churches in Kasarani Nairobi County.

ii. To establish the extent to which the intermediate levels of financial studies affect the fund management of start-up churches in Kasarani Nairobi County.

iii. To assess the extent to which church leaders with a beginner level knowledge of finance affects the fund management of start-up churches in Kasarani Nairobi County.

1.6 Research Hypotheses

H_{01}: There is no significant relationship between advanced levels of financial studies and efficient management of start-up church funds

H_{02}: There is no significant relationship between Intermediate levels of financial studies with efficiency in fund management of start-up churches.

H_{03}: There is no significant relationship between financially illiterate church leaders and fund management of start-up churches?

1.7 Significance of the study

While most of the discussions on religious institutions focuses on abstract concepts such as the morals and doctrines being taught to the people adhering the religious organizations, not much is spoken about the financial activities of churches as institutions. Which paves the way to significance of this study as the significance of a study states how the implications of the research and its contributions to the body of knowledge of a particular field for those who may read the results of the study (Hiebert, 2022). In Kenya, many churches are started by spiritual leaders who have little to no education on finances, government policies about the financials of non-profit organizations and financial obligations of such organizations.

A notice by the attorney general Githu Muigai, pointed out that many church organizations do not submit their audited returns whereas, this is a prerequisite of any society in Kenya contained in the constitution under section 30 of the Societies. Supporting the fact that most starts-up church leaders unconsciously undertake paths, through their decisions concerning the financials of their organizations, that would lead them to financial dilemmas with the relevant authorities such as the Kenya Revenue Authorities (KRA), or financial auditors.

A study on these matters is critical because it will inform church officials on the correlation between fund management and the levels of financial literacy of the leadership in charge

of the financials of these organizations, so as to enable current and future church leaders be able to make adequate decisions when selecting both board and committee members. The information obtained from this study would provide data that may help start-up churches avoid predicaments which might lead to legal actions by the constituency, county or even within the organizations themselves

On an administrative level, the study will aid the county governance with evidence to support financial policies concerning religious organizations in as much as fund management is concerned, as the study seeks to show the effects of financial literacy levels and its benefits to the functioning of such organizations in respect to governance and governmental policies on financial matters.

1.8 Scope of the study

The study was aimed at investigating how financial literacy levels of church leaders affect fund management of start-up churches in Nairobi County. The subject scope will be based on the beginner, intermediate, and the advanced levels of financial literacy and how they affect fund management of star-up churches in Nairobi. The study will mainly be focused on the quality of leadership heading fund management positions in start-up churches within Kasarani county.

1.9 Delimitations of the Study

Kasarani constituency will serve as the study population for the research, from which the findings can be generalized to all start-up churches in Nairobi. Obwatho (2014), posits that, delimitations are those characteristics that limit the scope and define the boundaries of your study. Thus, the study will not address the nature of the churches constituting the study group because, the aim or end result of the services offered in terms of doctrinal teachings and believes cannot affect the organization’s financial conditions.

The study will also focus its research on fund management of start-up churches rather than long well-established church organizations that do not fit the description of a start-up, on the basis of their years in existence since inception as they have acquired experience through the years.

1.10 Limitations of the Study

Limitations can be understood as 'imposed' restrictions which are essentially out of the researcher's control. As emphasized by dr. Theofanidis (2018), limitations of a study concern potential weaknesses that are usually out of the researcher's control. A major limitation of the study was access to detailed information from the selected respondents due to the sensitivity of the mater being researched upon as the study heavily relayed on interviews and questionnaires. This will be curbed by expelling and emphasizing on the element of anonymity of the respondents to the selected respondents. The confidentiality and non-disclosure clause in the contract between the employed managers and the organizations, may have limited the amount of documented data the researcher was able to obtain. The research also faced limitations in terms of accessibility of certain levels of respondents as top ranking officials of organizations are usually administratively shielded. This was curbed by booking appointments two weeks in advance before their meeting days, in order to allow any questioning or screening procedure they may want me to undergo.

Last but not least, climate conditions were also part of the limitation faced. McKale (2022) defined acts of God as events and occurrences which cannot be avoided even by measures of caution or prevention as they take place by natural occurrence and causes. Rains considered as acts of God may have hindered accessibility to certain respondents based on

how the weather conditions affect roads, routs and regions to be studied. In order to handle this, the researcher carried the necessary equipment for movements during rainy seasons.

1.11 Assumptions of the Study

The study had several assumptions. The study assumed that Church leaders who are graduates in financial studies have significant effect on fund management of start-up churches, and that certified professional church leaders are significantly efficient in fund management of start-up churches. It also assumed that financially illiterate church leaders significantly affect fund management of start-up churches

Moreover, the study assumed that the information obtained by the instruments were right and sufficient for inference purposes as per the study. Finally, the study assumed that all the information given by the respondents, apart from the verifiable statistics, were genuine and true.

1.12 Theoretical Review

The purpose of the application of the theory in the study was to orientate the study theoretically on establishing the possibilities of fund management being influenced by the levels of financial literacy of the decision makers—in this case, church leaders. The section below discusses the theory, its proponents and its pros and cons and how the theory actually applies to the study.

1.12.1 Behaviorism theory

The Behaviorism theory is the main theory of the study. The theory of behaviorism was established by John B. Watson in 1913 with the publication of his classic paper, "Psychology as the Behaviorist Views It."(Cherry, 2019). The behavioral theory is one that revolves on the basis that a behavior can be controlled or modified through actions before the behavior or the consequences following a behavior. The theory holds that, any person

can be made skillful in any field by combining consequences and reinforces respectively, while maintaining the person being taught in specific environments befitting the trade to be learned.

In its application, the leader seeking to have his people behave in a certain way or manner, must first decide the behaviors he would like to see exhibited. Secondly, decide on the consequences or the reinforcements needed to solidify the behavior. For instance, in a financial context, have rewards for those who operate in a particular quality of standards set for the records and transactions; while sanctions for those who are disorganized and reckless in their record keeping. By administering the right combination of reward and consequences respectively to the desired habits, leaders manage to mint accountants and fund managers seemingly fit for the duties.

To date, the greatest argument against the behaviorism theory has been the dualism theory, which holds that the mind is to some extent distinct from the body. This difference, as observed by Graham (2019), is that the routines and regimes used to research on behaviorism are considered to be irrelevant to studying how people and animals behave in social environments.

Ideally, behaviorists are factual about how people learn and develop behaviors and even character on the basis of environment. School students or professionals in their respective fields become what they become greatly due to the environment they are placed in and the consequences and rewards of actions they take. This theory will be of great use to the study as it enables an examination of biases of the financial novices, certified financial professionals and university graduates that would have adversely affected the management of funds in start-up church organizations. In other words, to prove if they manage because

of the having dwelled within a certain environment for some time, or if they manage well necessarily only because of their academic knowledge.

1.12.2 The trait theory of leadership

The trait theory of leadership was propounded in 1869 by Francis Galton who was Charles Darwin's cousin from the work known as hereditary Genius. As observed by Cherry (2019), The trait theory of leadership focuses on identifying different personality traits and characteristics that are linked to successful leadership across a variety of situations. According to the theory, some people are born with distinct personality traits that make them fit for leadership as they contribute greatly to leadership performance. Though there are several traits referred to within this theory, the major ones are Self-confidence, determination, intelligence, sociability and integrity. According to the theory, leaders are usually persons with high levels of intelligence as this is a consistent trait among leaders; having high levels about their self-esteem, certainty about their competencies and their capacity to make things happen and make the difference.

The theory also stipulates that; leaders are usually self-determined persons. In other words, they naturally have the ability to be perseverant despite the obstacles one might encounter. It prescribes Integrity as this trait connotes having sets of principles that one lives by, such as being honest, trust worthy, one who is dependable and will do what they say. Lastly, sociability is proponed as one of the pillar leadership traits as this is the ability to be tactful and have high interpersonal skills. Meaning that persons born to lead are good at communication and recognize the importance of it.

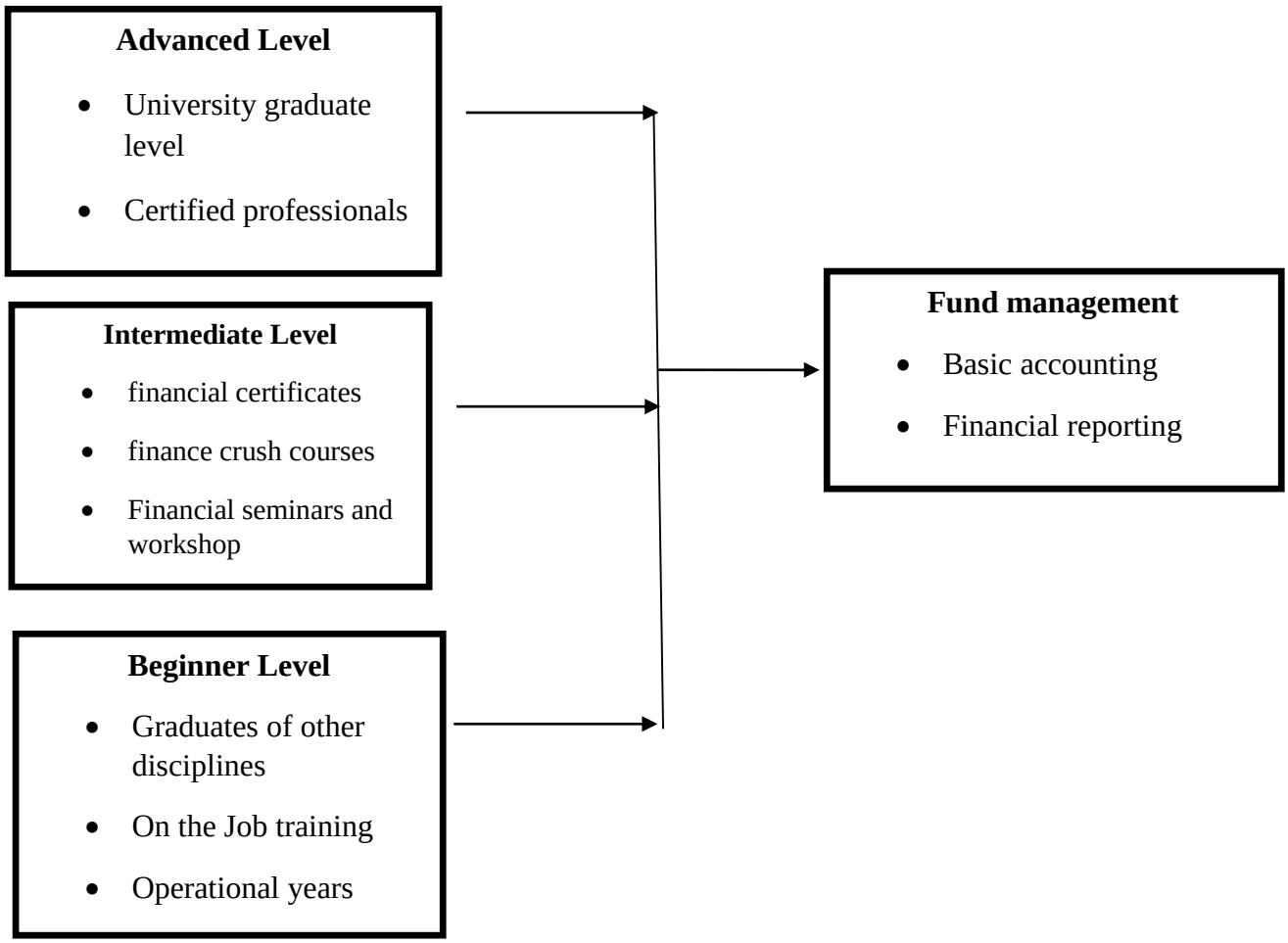
Opponents to this theory have posited that the theory is flawed as there has never been one perfect list of traits that the theory bases itself on because different studies have brought

forth different traits. It has also been pointed out that most of the aspects the trait theory refers to as traits are but behaviors that can be learned. The other opposition standing against this theory is that, people may only be behaving in a certain manner rather than genuinely having the trait because there is a thin line between trait and behavior. This theory will be used to contrast and measure the impact of literacy levels on behaviors and traits, and how this combination can affect management.

1.13 Conceptual Framework

Independent variables Dependent variable

Levels of Financial Literacy **Fund Management**



Fund management is the overseeing and handling of a financial institution's cash flow. In this study, fund management was the dependent variable which would be measured by Basic budgeting, expenditure projections, Basic accounting and financial Projections (Kenton, 2018).

The independent variable was defined by the three levels of education which are the beginner levels, the intermediate levels and the advanced levels.

In context with the study, advanced level referred to church leaders who have attained legally acceptable levels of university education or professional certification studies deemed academically suitable for financial management. As noted by CFP (2020), for one to qualify for this status, they need to meet requirements in four areas, namely formal education, performance on the CFP or specific relevant exams, relevant work experience, and demonstrated professional ethics. In regards to this group, the attention was on elements such as being holders of post-graduate degrees, under-graduate degrees and Bachelor of Arts degrees in either business studies or concentrated financial management studies.

Secondly, the intermediate level also known as the certified financial professionals group referred to church leaders who have had the most basic levels required for financial management. Kokemuller (2018), observed that, in relation to the types of work, Semi-skilled careers require some level of judgment, which exceeds the little to no judgment required in unskilled jobs. Thus, for this group, in relation to the study, the attention was on elements such as diplomas in financial courses or attendance and completion of financial management seminars, workshops and conferences. Practically, the least basic levels of officially recognized levels of training required for consideration in fund management.

Thirdly, for the purposes of this study, the beginner level also known as financial novices referred to the group of leaders who have not attained any professional academic requirements or skill required in terms of financial management. Those in this category have no type of academic training whatsoever in terms of finances. This implies elements such as university degrees, certificates, diplomas or attending any financial seminars, trainings or financial management workshops and events. As per the dictionary, a novice refers to a person who is new to circumstances or work. This means that, they take the lead of the fund management departments of their organizations without any previous experience of managing finances for organizations regardless of size. In this context, those in this group are learning financial management at an organizational level as they work within these organizations.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

This chapter gave a lay out on the theoretical and empirical literature reviews. The theoretical section discussed the theory which guided the study. The empirical review on the other hand gave insight to what previous literature or researches had provided in proportion to the aims of the study and its goals. The chapter then concludes with the acknowledgement of the research gap that is to be filled through the study.

2. 2 Empirical Review

This section presents a review of the empirical literature related to financial literacy levels and how they affect fund management. The section includes university graduates, certified financial professionals and financial novices and how they affect and influence fund management.

2.2.1 Fund Management of Start-up church organization

Fund management is the art of managing the finances of either individual or an organization in the purpose of assuring its financial future and progression. Kenton (2018) observed that the fund manager ensures that the maturity schedules of the deposits coincide with the demand for loans. Hence, an adequate fund manager should be able to analyze, explain and engage concepts such as cash flows, budgets, financial projections and accounting. This is why fund managers are expected to have a skilled eye for details in as much as the analysis of financial data is concerned. Whereby, financial management practices are reckoned as standard operating procedures which an entity develops with the aim of assisting them in and with financial activities such as executing accounting, financial reporting, budgeting.

A study in China by Xiao & Zhang (2017) examined potential effects of financial literacy on household portfolio choice and investment return, an indicator of financial wellbeing in china. Using data from the 2014 Chinese Survey of Consumer Finance, financial literacy was measured and further categorized into basic financial literacy and advanced financial literacy.

The study tested the hypothesis that financial literacy affects household choice between stock and mutual fund. The findings indicated that households with higher financial literacy had a better chance of receiving a positive investment return, suggesting that higher financial literacy may result in a better financial outcome. This pointing to the importance that financial knowledge has on fund management of entities that were not corporate businesses. However, there were no specific determinations as to the exact level that can be considered the base line in order to successfully utilize the financial knowledge.

In line with this, as study in Kenya by Getui, Ichuloi, and Kandagor (2023) on the sustainability of the SDA church, South East Kenya Field's finance management systems observed that there were critical gaps in the management the Church's finances which resulted in its unsustainability. Interestingly, the researcher noted that despite having all the financial systems and structures in place, the

South East Kenya Field SDA Church was still not self-sustaining. The researchers concluded that the systems needed fixing, specifically noting that those to ensure that they are working did not have adequately skill. It recommended that the Church invest in its personnel rather than the system. This highlighted the necessity of certain levels of financial knowledge and literacy, but it did not specify the degree of knowledge per level of necessity in the fund management structures and system the church was operating on.

Furthermore, Mawudor (2016), conducted a study on the financial stability of church related organizations in Kenya finding that, financial management, resource management, income diversification and income generation could significantly predict financial outcome. Leading members of selected CROs together with donor partners, church leaders, general secretaries, current and former staff made up the targeted population. The research recommended revising the strategies of financial management of CROs by coming up with action guided roadmaps and indicators of sustainability that can be verified for the purposes of attaining the goal of financial sustainability. This research demonstrated that without action guided roadmaps to ensure adequate and precise actions with regards to financial management, there would be no stability in as far as the management of funds is concerned. Whereby, guided indicators are basically financial principles that demand specific required actions to operate and produce. The specificity of these actions demonstrate that they can and are only to be acquired through the various levels of financial literacy, as these fields of study have specialized on teaching such.

2.2.2 Advanced levels of literacy and funds management of startup church organizations

On an academic perspective, the advanced levels of literacy deals with university graduates and holders of CPA certificates. The University level class of literacy can be divided in to two groups which represent the two different degrees within the University graduates' group, namely: undergraduates and postgraduates. Undergraduates in this context referred to persons holders of B.A degrees in financial courses and studies. At this level of studies, one is qualified to manage finances and financial transactions of an individual or an organization at the most basic levels of operations possible. Tucker (2021), noted that

finances at the undergraduate levels of studies cover a wider array of specialization in the business world including banking and economics.

The second category in the financial professional group are the postgraduates. This refers to holders of Masters' degrees, CPAs and doctorate of philosophy degrees in the field of finance. A study by Chan (2016) observed that, while a master's degree generally takes less time than a bachelor's, the holders of such degrees dig deeper into a specialized knowledge area. At this level of education, one is expected to have mastered a specific number of concepts in the sphere of financial knowledge.

A research from north America done by Jose, Ceribeli and Lana (2017) concerning the levels of financial literacy of university students in the north of Mexico, concluded that the financial knowledge of the students did not impact their financial behaviors in a significant way. This was interesting to note as, the northern part of Mexico was chosen due to its environment being a sort of economic power hub in the country—as there are quite a number of companies and corporations within the area, and the area borders the United States of America, which implies a great deal of transactions and trades. The research used the method survey and the collected data was analyzed using the structural equation modeling technique.

The observations through the results were that financial attitudes of the university students of the north of Mexico influenced their financial behavior. There were no clear signs whether their financial behaviors had been impacted by their financial knowledge. According to the researchers, the key to impact financial behaviors was financial attitude rather than financial knowledge.

The conclusion was that the level of financial literacy of university students in the north of Mexico was low because there was no strong relationship between financial attitudes, financial behavior and financial knowledge of analyzed individuals. This demonstrated the need to invest in financial literacy programs which could improve the population's resource management skills thus impact on the people's retirement planning, savings and consumption decisions.

In contrast to the above finding, research by Chan (2016) stipulated that the number of hours, resources and supervised effort one is required to puts-in in order to attain this level, makes it that they can manage almost at any level of an organization or a business, depending on the nature and operations of the organization. However, there was no relation or correlation between financial knowledge and financial behaviors of the studied subjects. The study assumed that, because the studied subjects had undergone university levels of training, they were suitable to manage and handle corporation levels of financial activities. Whereby, the correlation between knowledge and behavior was not asserted. No specific indication was given as to what degree of knowledge begins to affect and influence behaviors.

On a local perspective, a study by Fanta (2021) on Financial Literacy as a Driver of Financial Inclusion in Kenya and Tanzania, used data from a demand side financial inclusion survey conducted in Kenya and Tanzania in 2016. The researcher examined the link between financial literacy and financial inclusion using the FII survey through two east African economies, they measured financial literacy by two components namely

financial knowledge and financial behavior. To address the potential indigeneity bias, they executed the variable regression of the instrument of measure.

The study showed that financial literacy is a strong driver of financial inclusion. However, the study Concluded that, while Tanzanians exhibited a higher level of financial knowledge than those in Kenya, adults in Kenya excelled in terms of financial behavior. Which makes the case for the researching of the impact of financial education levels distinct from financial behaviors.

2.2.3 Intermediate Levels and funds management of startup church organizations

The category that has not attained university graduate levels, yet have obtained certifications in financial courses are classified as Intermediate levels. Certification is a way of improving a discipline by promoting the practical implementation of standards and the need for professional development through recognizing a code of ethics and promoting the awareness of a body of knowledge (Knutson, 2023). Usually, the purpose of this level of training is to give stewards concepts and information that is general knowledge in the financial world in order to position them mentally for the environments they will be working in once they are graduates.

Research by Anderson (2019), expressed that teams that perform higher attribute their success to the fact that they have greater skills, hammerwhereas organizations that perform lowly point it back to the greatness of efforts. In other words, a trained person—even at the most basic levels of training within their domain—is more efficient than a hard-working person who is semi-literate on their field. The logic here is that, the basics are given at this level since there aren't clear specializations, then leave the choice of specialization to the person. This is done with the purpose of building skill rather than increasing the depth of

knowledge, hence it makes for effectiveness and efficiency rather than theoretic perfection. The search however did not determine whether financial skills impacted financial behaviors more or less than financial knowledge in as much as fund management was concerned.

On a regional perspective, a study in south Africa done by Kirsten (2018), on the role of financial management training in developing skills and financial self-efficacy, had the aim of determining whether a tailor-made financial management training course could improve the development of short-term financial management skills and financial self-efficacy of small business owners in South Africa. The research had sampled small business owners who attended short financial management training course that focused on short-term financial management principles.

The study found that trainings and courses on financial management that were custom or tailor-made courses improved the short-term financial management skills of small businesses owners also improving their self-efficacy in their finances (Kirsten, 2018). The study also concluded that the impact of such trainings on the financial skills of managers motivated them to implement financial management practices. The research was an experimental study that applied a pre-test-post-test single group design through the use of self-administered questionnaires.

On a local perspective, a study by Mungai (2017) looked into the relationship between training and small and medium-sized enterprises' growth in Kenya, demonstrated that appropriately timed and designed training programs were likely to have positive effects on business growth. The target population for this study were 400 Nairobi based entrepreneurs who had successfully received business growth training under the Mwezi Kali IT Project.

This while having operated their businesses for a minimum of two years prior to receiving the training. The study however did not prove nor disprove that higher educations was a necessity for better performance as opposed to tailor made courses even for non-profit or religious organizations.

2.2.4 Beginner Levels and funds management of startup church organizations

Of the three categories presented in this section, this category is considered to be the novice group in terms of financial education. A novice is someone who is new to something. Cheng (2017), stated that a novice is a person who is new to a field and is likely to make mistakes. People usually equate "illiteracy" to not being able to read or write. Interestingly, illiteracy simply means not knowledgeable in a certain field of study or area of work. Financial options, defined financial illiteracy as the lack of basic knowledge of how money works in the everyday world and how to make it work to your advantage. (n. d) This goes on to imply that financial illiteracy means not well knowledgeable about finances.

However, financial knowledge and financial behavior are not the same things. One can have understandable beneficial financial behaviors, without having any specialized studies on finance finances. Whereas most financially literate persons have higher chances of having good financial behaviors, the correlation is not ascertained, as many factors influence such an outcome. Segal (2018), observed that a finance degree will impart skills such as financial modeling and analysis, but may not do much to provide other skills required for success in almost any profession, such as communication, problem-solving, and time management.

The logic behind this thinking is that many managers may not have studies concentrated finances, but what they have studied may help them manage people who deal with finances. Segal (2018) proponed that, managers manage people and projects within an organization.

A study by Arianti (2018), had as findings that financial literacy of itself had no significant impact on investment decisions as much as financial behavior did. Data was collected by using a questionnaire method from 100 students who were chosen to become the sample for the research. The data analysis techniques used in this research were the descriptive statistical analysis, data quality test, classical assumption test, multiple linear regression test, F test, t test, and coefficient of determination with the help of the 22nd version of the SPSS software program. The results of this research indicated that financial literacy had no significant effect on investment decisions, while financial and income behavior have a significant effect on investment decisions. Whereby such professional behavior is a matter of a degree of knowledge practiced repeatedly over time. Which points out to determining what degree of knowledge should be the threshold for professional behavior development.

2.3 Review Summary and Knowledge gap

This chapter views the empirical literature from past studies pertaining to university graduates, certified professionals and financial novices in as much as fund management and performance at managing projects or funds is concerned. The studies review comprised of local and global research studied which included researches in Mexico (Lana 2017), China (Xiao & Zhang, 2017), South Africa (Kirsten, 2018), Tanzania and Kenya (Mawudor, 2019) as part of the organizations and projects studied.

Though studies have been done on financial management issues in non-profit related organizations or projects, of which some of the most prominent ones mentioned are by

Xiao and Zhang (2017), and Mawudor (2019), there has not been any studies done on how the levels of financial literacy of church leaders of start-up churches affect the church's financial performance and the fund management of these organizations in themselves. The available studies evidenced that researchers seemed to be more concerned about the execution and completion of projects undertaken by these organizations rather than the organization's own finances. Whereby, there is a great contrast between the two. Projects have an anticipated end whereas running the organizations own finances implies perpetual financial management, which calls for financial systems and structures.

Secondly, most of the available literature concerning religious or non-corporate organizations and finances, pointed out that there is conflict on the fact that financial behaviors dependent on the financial literacy. As some argued for, some argued against this conclusion. The underlying issue was that, though professional behavior is built through a degree of knowledge repetitively practiced, the impact of the specific levels where not assessed. This explains why one of the theories underpinning this study was the behaviorism theory since it propones that, behaviors can be learned from levels of literacy about a particular field of discipline.

The insufficient empirical literature to settle the case for the correlation between the levels financial knowledge and financial performances for religious organization was the drive of this study. The is crucial as policy makes would require such information and evidence to design and create financial policies best fitting the nature such organizations. Whereby, the aim of this study was to provide insight on the impact of the levels of financial education on start-up churches in order to determine which levels would be adequate or overkills in regards to the nature and the size of such organizations.

CHAPTER THREE: RESEARCH DESIGN AND METHODOLOGY

3.1 Introduction

This chapter provided a description of the research design, the target population, the research site and rationale, the procedure used for collecting data, the instruments used for collecting data, the procedures of sampling, data analysis and presentation of the findings.

3.2 Research design

The current research applied the descriptive design. McCombes (2021), agrees that the descriptive design is considered to be an appropriate choice when the research aims to identify characteristics, frequencies, trends, and categories. The results sought by the researcher could only be obtained when the experiment cannot be controlled as the results obtained would be inferred on the study population.

Since the aim was to reach conclusive results, the descriptive survey design was suitable for this study as the researcher sought to analyze how the different levels of financial literacy of church leaders affect the management of funds of Stat-up churches in Nairobi. The main idea behind using this type of research design was to better define and explore opinions, attitudes, or behaviors held by people on the given subject.

3.3 Research site and Rationale

The current research was conducted in Nairobi County, specifically focusing on Kasarani constituency, since this was the study sample case for Nairobi County. The constituency is divided into wards that include—but are not limited to the following: Mwiki, Roysambu Hunters and Warren. The reason as to the choice of the site was due to the high rates of star-up churches in the region.

Due to the constituency's current demographic situation, there are but a hand full of old established church organizations, as the county is populated by young professionals, students and mostly young entrepreneurs. These conditions made the site a favorable terrain for church organizations seeking to expand their reach, in view of the potential of the location. Thus, explaining the increase of unofficial startup church organizations within the area which in turn, highlights the research sight choice.

3.4 Target population

The target population for the current research was Start-up church organizations in Nairobi. Obwatho (2014), argues that, the target population is the group on whom the researcher is going to be giving conclusions. This group was composed of church organizations that have less than 5 years of operation since conception within Kasarani county. Because institutions in themselves cannot respond but the people working therein, sub-clusters were created, from which respondents were drawn.

As according to the Google maps website, there are approximately over 200 registered church organizations in the constituency, varying from independent churches to those under main stream churches organizations. However, the count is not accurately represented in terms of the number of church organizations currently operational as many of the start-up churches found there are not yet on the map of the constituency.

This was so because most of them were not yet officially registered as religious organizations as per the Kenya society act requires due to the 2017 church registration ban by the attorney general. Hence, getting an officially registered number of church organization within the area proved evasive. Hence, the explication of the use of the multistage sampling technique.

Through the multistage sampling approach, beginning with the simple random sampling, institutions were selected, from which the sub cluster were created to rank the respondents within the organizations. After this, the selection of the sample size per the ranking sub-cluster was done. Therefore, the total number of respondents was of 139 leaders who manage and oversee 20 start-up church organizations. They constituted the sample body for the purpose of the current study.

3.5 Study Sample

3.5.1 Sample size

A sample size is the group that represents the population the researcher is studying in order to generalize his findings to the rest of the group. For purposes of sampling accuracy, through the multistage sampling approach, of the nearly 200 church organizations, the study focused on its first sub cluster which consisted of 20 startup churches randomly selected as sample organizations for start-up churches. Then, from this cluster, sub clusters were created in order to categorizes the leaders of these institutions by administrative positioning within the organizations and by education levels attained by the leaders respectively.

At this point, the formula by Yamane (Coolican, 2014) was used to calculate the sample size respondents for the research. For precision purposes, a confidence level of 95% was designated to ascertain the reduction of sampling errors. Thus, the equation for calculating the sample size was as follows:

$$n = \frac{z^2 \times \hat{p}(1-\hat{p})}{\boldsymbol{\varepsilon}^2}$$

where

z is the z score (1.96)
ε is the margin of error (0.05)
N is the population size
$\hat{\mathbf{p}}$ is the population proportion (10%)

$$n = \frac{(1.96)^2 \times 0.1(1 - 0.1)}{0.05^2}$$

$$n = 138.29$$

With the results being 139 which meant that the study would be considered fair if there were 139 respondents from the 20 selected organizations.

In terms of their responsibilities and their functionality within the organizations, the respondents were clustered and selected from three major categories which were, the top management, the middle management and the operational stuff. This sub cluster that detailed the division of groups was useful to the study as it managed to clearly demonstrate the impact which each level of financial literacy had on the organizations depending on the level of the management in which it was operationalized. Hence the repartition was as follows based on the proportionate stratification technique used at this level of the multistage sampling approach.

Table 3.5.1

Categories	Selected sample	Statistical relevance of respondents
Top Management	20	16.6 %
Middle management	50	33.3 %
Operational stuff	79	50 %
Total	**139**	**100 %**

The selection of and from the three categories was as follows. Top management which referrers to general overseers or their representatives, constituted 16.6% of the total study population because, they were very few and hard to locate as most of them were constantly travelling to minister. It is to be noted that, this group does not usually deal with the nitty-gritty of the finances of the church on a daily basis.

The second category, which is the functional heads—also known as the middle level management— constituted 33.3%: because they are usually the ones connecting the top management and the operational staff in terms of communication across the two groups. Thus, the group consisted of heads of departments within the church and their immediate representatives. This group is more informed on the decision-making processes and procedures of the organization as they mostly supervise and double check these decisions.

The third category was the operational staff. The size of the operational staff was 50% because they were the ones who operated on a daily basis on the majority of the activities that the organization has to get done, from great to the micro-details of the organization. This group consisted of assistant treasurers, assistant accountants and secretaries. They were the best group to give out required information to be able to come to adequate conclusions.

Then finally, the selection was made through the simple random sampling technique to draw the number of respondents per levels of education attained. Through this process, the final result came to 139 individual respondents representing their institutions and the levels of financial education as can be seen in the below table.

Table 3.5.2

Categories	Total churches respondents	Selection representation
Advanced Levels	36	25%
Intermediate Levels	36	25 %
Beginner Levels	67	50 %
Total	**139**	**100 %**

Because the purpose was to distinguish the effects of each of the levels of financial education, proportionate stratified sampling was used where equal number of units were selected from each stratum. In this respect the researcher analyzed three categories of church leaders that match the three levels of financial literacy. These categories being the advanced level, intermediate levels and the beginner levels. This broke down to, 67 church leaders who fit the description for the beginner level category, 36 church leaders for the intermediate level category and advanced level category respectively. Whereby, the selection of the leaders responding to the questionnaires in terms of their levels of financial literacy.

It is to be noted that, by advanced level, the allusion is to university graduates and holders of CPAs. The reference would be leaders who have university level academic certificates in terms of financial education which include MBA, Msc, BA, diplomas and the various CPA paper levels. The intermediate level alluded to Professional certification, which referred to professional courses and seminar materials such as certificates in financial courses and workshops.

3.5.2 Study Sampling Procedure

The sampling approach used for this research was the multistage sampling approach. This thus included a combination of cluster sampling and probability sampling methods, particularly the homogenous purposive sampling method as the population being studied could not be totally numbered. This was due to various limitations such as the official registration of star-up churches, availability of the church leaders and geographical vastness issues, as there were no recent official governmental records of all registered start-up churches within the area.

Sub cluster groups were produced in order to point out the ranking and roles of the sampled group. This technique allowed the drawing of more precise conclusions since it ensured that the representation of every subgroup in the sample was properly represented (McCombes, 2021). This approach was also ideal for the simple fact that these sample groups had to do with the administrative heads of organizations and their leaders.

3.6 Data Collection

3.6.1 Research Instruments

The Gumberg Library (2017), in defining research instruments, states that research instruments are tool used for the collection, measurement, and analysis of data related to a subject. The current study collected data through Likert questionnaires, journals, articles and internet searches and surveys. Mcleod (2018) remarked that Questionnaires can be an effective means of measuring the behavior, attitudes, preferences, opinions and, intentions of relatively large numbers of subjects more cheaply and quickly than other methods. The journals provided more detailed information, thus complimenting that which was obtained through previous surveys, whereas the internet searches provided the general opinions, understandings and believes of the targeted group through the sampled size.

3.6.2 Pilot Testing of Research Instruments

The questionnaires were pilot tested in order to ascertain the validity and reliability of the questionnaires, as this would reveal any biases or flows therein, when it comes to data collecting. Williams (2023) proponed that a pilot study can be defined as an initial test or a miniature version of a larger-scale study or project. In this context, that would translate to a small study that serves the purpose of testing research protocols, data collection instruments, sample recruitment strategies, and other research techniques as the researcher prepares for the main study.

The pilot testing was done in two start-up churches located in Umoja and Ngara respectively, as the purpose of this research was to generalize the findings for churches within Nairobi County. Because the results by the testing proved to be similar, reliability was proven. Cherry (2019), states that the consistency of a measure is what is known as reliability. This means to be able to get the same results all the time using the same measures. The elements evaluated in the pilot study were elements such as how fast could the questionnaires be completed by the respondents, how understandable were the questions to the respondents, the comprehension of the exercise to the respondents and the flaws and biases of the measuring instrument.

3.6.3 Instrument Reliability

Reliability has to do with the assurance that one can have in the data obtained from the use of an instrument. In other words, the degree to which any measuring tool controls for random error. As noted by Shuttleworth (2019), Instrument reliability is a way of ensuring that any instrument used for measuring experimental variables gives the same results every time.

The test-retest testing method was applied in the evaluation of the dependability of the questionnaires as the purpose of this testing was to prove the consistency among the responses of a respondent to several items within the questionnaire. A cross examination of the item was done by the calculations of the Score content validity index (SCVI)). This ensured that the coefficient was at the acceptable standard level which is of 0.8 or above.

3.6.4 Instrument Validity

The validation of the instrument will be done through analysis of the content validity index computation of the instrument. Mohajar (2017), proponed that Validity concerned what an instrument measured, and how well it does so. By computing and comparing the average Score content validity index level (S-CVI), the SCVI in relation to the universal agreement level (U.A) and the SCVI based on the proportion relevance, the validity of the instrument was ascertained.

The above is the equivalent if not the equal of the Cronbach alpha reliability test. Shi (2012), observed that researchers recommend that a scale with content validity considered acceptable should be composed of item content validity index (I-CVI) of 0.78 or higher and S-CVI/UA and S-CVI/Ave of 0.8 and 0.9 or higher, respectively.

3.6.5 Procedure for Data Collection

Retrieving information from specified sources is what is referred to as the data collection process. In emphasis to this, Bandari (2020), stipulated that, data collection is a systematic process of gathering observations or measurements in a way that allows a researcher to have first-hand knowledge and original insights into the problem the researcher is trying to solve. In the current research, there were two types of data collected namely primary data and secondary data.

3.6.5.1 Primary Data.

The researcher collected primary data through Likert questionnaires and informal group discussions. This would also enable the researcher have a clearer understanding of the study since detailed information would be given by the respondents.

3.6.5.2 Secondary Data

Margaret Rouse (n.d), in her article *secondary data*, defines secondary data as data that had been previously gathered that can be reused by the researcher. This form of data was collected primarily from the financial records of the selected organizations. Supplementary data was collected through journals, articles and internet searches and censuses.

3.7 Data Analysis and Presentation of Findings

The purpose of Data Analysis is to extract useful information from collected data. According to the guru99 website, Data analysis is the process of cleaning, transforming, and modeling data with the aim of discovering useful information for making business decisions (‘Data analysis’, 2021). The data collected from the field was reorganized in to an electronic format through excel software before further analysis, as these would be done through computer applications.

The data was then analyzed through Statistical Package for the Social Sciences application (SPSS) as the application is well recommended by a large array of individual researchers and research firms for the analysis and mining of survey data in order to make the most out of the collected data. Due to the use of the Likert questionnaire type, the data was analyzed through qualitative and quantitative statistics as a substantial amount of the data has to do with subjective judgements based on non-quantifiable information. As noted by Smith (2021), Qualitative analysis contrasts with quantitative analysis, which focuses on

numerical figures found in reports such as balance sheets. Therefore, quantitative analysis was also used accordingly as it applies.

As to do with the qualitative analysis, of which materials were collected from the mini interviews with the leaders, content analysis was used to recognize and evaluate frequency of patterns discussed concerning the topic, while thematic analysis was also used as it is very useful for finding out and bring a better understanding of the relation between the concept topic and how it relates with the research populations through their own experiences, views, and opinions (Warren, 2020).

Furthermore, inferential statistics was used for deeper analysis. The Analysis of variance (ANOVA) and the regression analysis was used as the ANOVA method served the purpose of analyzing the statistical significance differences, while the regression method served the purpose of demonstrating the relationship between the variables—if there is a "cause and effect" relationship. The findings were presented through graphs portraying the ranking of the variables and how they affect the dependent variable.

3.8 Ethical and Legal Considerations

The researcher ensured that the legal and ethical considerations standards as set by the African Nazarene University were met and kept. Unethical behavior can be deeds that deliberately violate the laws of a company or an organization's policies, or even using methods and practices that take advantage of people's frailties for personal advantages (Wentworth, 2019). Thus, the respondents were informed of the purpose and intention of the study so as to get their full consent for the use of the information collected. Furthermore, the respondents desire for confidentiality was attained through anonymity of the respondents presenting the information.

As concerning the respondents, the researcher ensured that those chosen for the study were selected from a voluntary perspective, thus no cohesion or duress for the respondents and the data collected. The data collected was used for academic purposes only. The researcher also obtained a legal permit from the National Council of Science Technology and Innovation (NACOSTI), in order to carry out the research legally.

CHAPTER FOUR: DATA ANALYSIS AND FINDINGS

4.1 Introduction

This study assessed the effects of the beginner, intermediate and advanced levels of financial education on the fund management of startup churches in Nairobi, having as case study the constituency of Kasarani. This chapter presents the rate of responses, the demographics and the analysis of descriptive statistics on the objectives of the study. The regression analysis was conducted on the basis of the factors that influenced fund management of startup churches, who's finding are also presented.

4.2. Background information

4.2.1 Response rate

The current study's initial target was of 139 respondents, where by 111 actually responded making it a total of 79.8 % of the required numbers, which was acceptable based on the research standard for the required rate of respondents per study. Selvaraja (2020) of the Taylor university stipulated that a response rate of 60 % and above was a reasonable and acceptable response rate for a research study.

Table 4.1

Sample size	Actual respondents	No response	Total
Rate	111	20.14 %	139
Percentage	79.8%	79.86 %	100%

4.2.2 Distribution of respondents by Gender

The findings demonstrated that there were more males than females involved in the management of funds within startup churches in Nairobi. This was indicative of a gender gap as 37% of respondents were female as compared to the male dominance which stood at 63%.

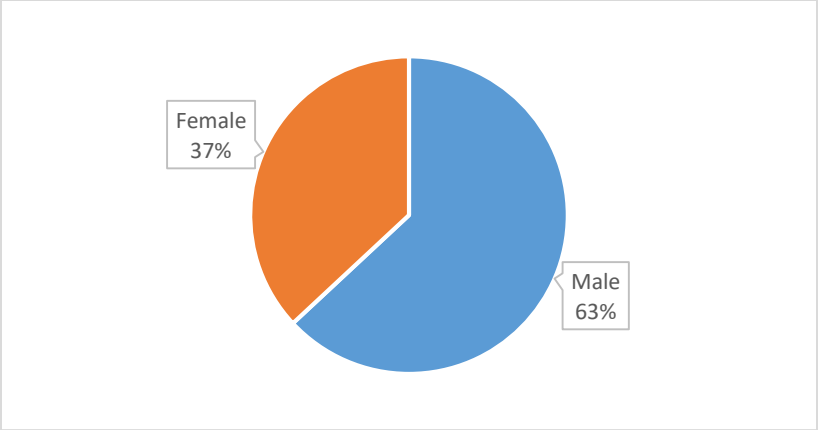


Figure 4.1: Gender Distribution of respondents

4.2.3 Distribution of respondents by Education level

The results of the study with regards to the levels of education indicated that most of the respondents were university level educated with only a minority constituting but 5% who had a lower level. The distribution was as portrayed in the table Chart below:

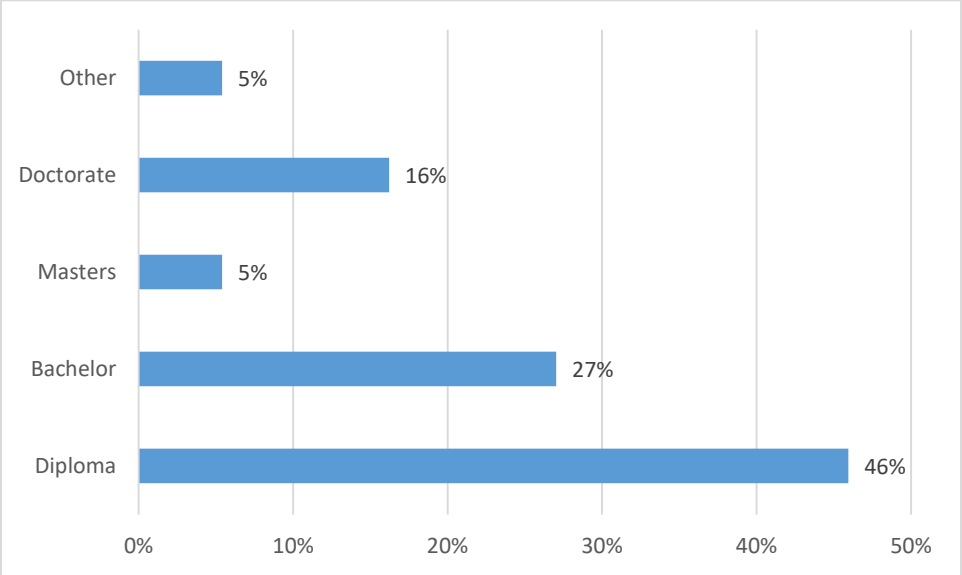


Figure 4.2: Distribution of respondents

This indicated that the respondents were well able to understand the study and its requirements for them as respondents. Whereby, demonstrating that the respondents were well able to provide adequate information concerning the study.

4.2.4 Roles of respondents

The findings took note of the individual roles of the respondents within their organizations in order to assess the accuracy and security of the information provided by the respondents. The results pointed out that a sizeable amount of respondents constituted of operational and administrative staff standing at 39.6%. The distribution was as portrayed in the following table.

Position Table 4.2

	Frequency	Percent
Top level management	24	21.6
Middle level management	43	38.7
Operations and administration	44	39.6
Total	111	100.0

This was indicative of the accuracy of the information provided when it comes to the current condition of operations on the ground. Having majority of the respondents being from the middle management (38.7%) and operational administrative staff (39.6%), is indicative of the fact that the responses are based on day to day occurrences and practices as these two groups major in this area.

4.2.5 Church size

In matters pertaining to the sizes of the organizations being studied, the results of the research observed that 25.5% of the respondents worked at an organization having less than 100 members, while 74.5% of the respondents worked at organizations having a membership of ≥200 people. The frequency and distribution were as follows:

Church size Table 4.3

	Frequency	Percent
50 – 100 members	28	25.5
100 – 200 members	42	38.2
Over 200 members	40	36.4
Total	110	100.0

This was indicative of the size of the financial transactions and operations. This information was essential for the consideration of the quantitative nature of the financial operations of the churches, as well as the financial value of the information given with respect to the research.

4.2.6 Length of service

The study pointed out the duration of work of the respondents with their various and respective organizations. From having only 0.9 % of the respondents having worked less than a year, to the majority constituting 73% of the respondents having worked with their organizations for over 3 years, the findings indicates the how knowledgeable the respondents were to the financial operations of their organizations.

Length of service table: 4.4

	Frequency	Percent
Less than 1 year	1	.9
2 - 3 years	29	26.1
3 years and above	81	73.0

Total	111	100.0

The majority of respondents (99 %) having worked for two year or more, demonstrated to fact that the information given was based on work experience. Indicating the reality and current statuses of their organizations with respect to finances and find management.

4.2.7 Duration of making financial decisions

When it came to assessing the duration of decision making of the respondents within their individual church organizations, the results were as follows.

Table 4.5: Duration of decision making

	Frequency	Percent
Less than 1 year	11	10.0
2 - 3 years	31	28.2
3 years and above	68	61.8
Total	110	100.0

Having 90% of the respondents (2-3yrs 28.2% + 3+yrs 61.8%) being decision makers for over two years is indicative that majority of the respondents were well versed in the operations, transactions and requirements of fund management activities of their organizations. This emphasized the reliability of the information given based on work experience as opposed to theoretical responses.

4.3 Presentation of research analysis and findings

4.3.1 Advanced level

The first objective of the study was to determine the extent to which advanced levels of financial studies in church leadership affects the management of funds of start-up churches in Kasarani Nairobi County. Through the analysis of percentages, means and standard

deviations, the responses were indicated by a Likert scale questionnaire where (1-strongly disagree, 2 disagree, 3 Neutral, 4 agree and 5- Strongly agree).

The responses in table 4.7 indicated that the majority of the respondents (36.7%) were neutral about a PhD in finance being an overkill in as much as fund management of startup churches are concerned. However, of the remaining 63.3% of respondents, majority agreed (33%) that a PHD was an overkill (mean=3.02 Std=1.178). A considerable number of respondents expressed agreement (44.1%) on a CPA certificate being primordial and critically essential in fund management of startup churches (mean=3.35 Std=1.117). Neutrality was noted on behalf of a considerable size of the respondents (38.7%) when it came to assessing if a degree is of extreme necessity to the management of funds in startup churches. However, 36.9% of the respondents agreed with the statement, with 12.6% strongly agreeing. (Mean= 3.19 Std=1.075)

Table 4.6: Advanced levels

	Strongly disagree	Disagree	Neutral	Agree	Strongly agree	Mean	Std. Deviation
A PHD in finances is an overkill in as much as fund management of start-up churches are concerned.	12.8%	17.4%	36.7%	21.1%	11.9%	3.02	1.178
A CPA certificate is primordial and critically essential in fund management of start-up churches.	5.4%	16.2%	34.2%	26.1%	18.0%	3.35	1.117
A degree is of extreme necessity to manage funds	6.3%	18.0%	38.7%	24.3%	12.6%	3.19	1.075

in a startup church.	

The findings indicated that advanced levels of financial education were not as necessary as to state them as being crucial or primordial when it came to managing the funds of startup church organizations. Whereby a diverse range of opinions among respondents was observable through the findings with respect to the importance of the advanced financial education when it came to matter pertain8ng to the management of the funds of start-up church organizations (mean weighted mean=3.15 Std=1.17)

4.3.2 Intermediate level

The second objective was to establish the extent to which the intermediate levels of financial studies affect the fund management of start-up churches in Kasarani Nairobi County. The responses were indicated by a Likert scale questionnaire through the analysis of percentages, means and standard deviations, where (1-strongly disagree, 2 disagree, 3 Neutral, 4 agree and 5- Strongly agree).

When assessing if financial certifications are as efficient as undergraduate degrees in terms of fund management of start-up church organizations, though a sizeable number of the respondents (39.6%) where neutral about the matter, 42.3% of respondents (28.8% A + 13.5% SA) agreed that this was correct (Mean=3.29 std=1.099). This was supported by 13.5% of the total respondents strongly agreeing to this claim. Neutrality was noted by the majority of respondents (38.7%) when analysis of wherever without out prior professional and academic trainings, specific financial crush courses would be sufficient to enable one to adequately management funds within start-up churches. However, though about 13.5%

disagreed with the claim, about 42.2% (29.7% A + 13.5 SA) of respondents agreed to the claim, having 13.5% strongly agreeing (Mean=3.13 std 1.071).

The third element to be assessed was whether financial seminars and workshops can provide adequate and required practical knowledge in terms of fund management of start-up churches as a university undergraduate degree would provide for the same purpose. About 55.8% of respondents (31. % A + 24.3% SA) agreed with the claim having 24.3% strongly agreeing with the claim as compared to the 18% who disagreed (Mean=3.56 std=1.165).

Table 4.7: Intermediate level

	Strongly disagree	Disagree	Neutral	Agree	Strongly agree	Mean	Std. Deviation
financial certifications are as efficient as undergraduate degrees in terms of fund management of start-up church organizations.	9.0%	9.0%	39.6%	28.8%	13.5%	3.29	1.099
without out prior professional and academic trainings, specific financial crush courses are sufficient to enable one to adequately management funds within start-up churches.	9.9%	13.5%	38.7%	29.7%	8.1%	3.13	1.071

Financial seminars and workshops can provide adequate and required practical knowledge in terms of fund management of start-up churches as a university undergraduate degree would provide for the same purpose.	6.3%	11.7%	26.1%	31.5%	24.3%	3.56	1.165

The results in regards to this aspect was that there was strong agreement on the fact that intermediate levels of financial education were impactful enough to positively affect the management of funds in startup churches.

4.3.3 Beginner level

The third objective was to assess the extent to which church leaders with a beginner level knowledge of finance affect the fund management of start-up churches in Kasarani Nairobi County. The responses were indicated by a Likert scale questionnaire through the analysis of percentages, means and standard deviations, where (1-strongly disagree, 2 disagree, 3 Neutral, 4 agree and 5- Strongly agree). When assessing if Graduates of other disciplines can manage funds of startup churches as similarly as undergraduates of financial studies, despite having a considerable number of respondents being neutral on this matter, majority of the respondents 36.9%, disagreed with the claim, having 11.7% strongly disagreeing (Mean=2.8 Std=1.105).

Considerable neutrality was show when it came to assessing if on the Job trainings are beyond sufficient for management of funds in startup churches. Though a great majority (41.8%) were neutral on this matter, 35.5% of the respondents agreed to the claim, in opposition to the 19.7% who disagreed with the claim. This showing that on the Job

training was considered efficient in as much as management of funds was concerned (Mean=3.1 Std=0.972). When it came to analyzing if without prior professional academic training, the duration of operational years of an employee in startups financial management can be an adequate qualification to manage funds within start-up churches. The responses as demonstrated in the table below indicated that 47.3% of respondents agreed to this claim, having about 10.9% Strongly agreeing (Mean=3.3 std=0.994).

Table 4.8: Beginner level

	Strongly disagree	Disagree	Neutral	Agree	Strongly agree	Mean	Std. Deviation
Graduates of other disciplines can manage funds of startup churches as similarly as undergraduates of financial studies.	11.7%	25.2%	34.2%	21.6%	7.2%	287.4%	110.5%
On the Job training are beyond sufficient for management of funds in startup churches	4.5%	18.2%	41.8%	27.3%	8.2%	316.4%	97.2%
Without prior professional academic training, the duration of operational years of an employee in startups financial management can be an adequate qualification to manage funds within start-up churches.	5.5%	10.0%	37.3%	36.4%	10.9%	337.3%	99.4%

Which indicated that though the value of specific financial studies was recognized, the importance of practical experience and the pragmatic benefits of on-the-job training were recognized in respect to financial management.

4.3.4 Fund management

The final assessment was that to do with fund management in and of itself. The responses were indicated by a Likert scale questionnaire through the analysis of percentages, means and standard deviations, where (1-strongly disagree, 2 disagree, 3 Neutral, 4 agree and 5-Strongly agree).

When it came to assessing the claim that work experience and operational years affect the basic accounting and budgeting methods used and provided my managers, 57.3% agreed, with 17% strongly agreeing—putting emphasis on the claim (Mean=3.5 std=1.123). While assessing whether on the Job taught managers can give good financial projections in as much as fund management of startup churches are concerned without considering prior financial academic training, despite a sizable majority being neutral on the matter (38.7%), 34% of respondents agreed to this claim (Mean=3.06 std=1.022).

While assessing if The financial reporting within the fund management of start-up churches is significantly affected (Mean=3.48 std=1.140) by the levels of education of the managers within the churches, 48.1% of respondents agreed to this fact (24.5% A + 23.6% SA). Demonstrating that education does affect the management processes and procedures when it comes to how the reporting is done.

Table 4.9: Fund management

	Strongly disagree	Disagree	Neutral	Agree	Strongly agree	Mean	Std. Deviation
work experience and operational years affect the basic accounting and budgeting methods used and provided my managers.	8.5%	7.5%	22.6%	44.3%	17.0%	3.54	1.123

Without considering prior financial academic training, on the Job taught managers can give good financial projections in as much as fund management of startup churches are concerned.	7.5%	19.8%	38.7%	27.4 %	6.6%	3.06	1.022
The financial reporting within the fund management of start-up churches is significantly affected by the levels of education of the managers within the churches.	4.7%	14.2%	33.0%	24.5 %	23.6%	3.48	1.140

4.3.5 Correlation analysis

The correlation tests showed the relationship between the independent variables and fund management. Whereby, concerning the advanced levels, the test demonstrated that there was a positive significant correlation with the intermediate levels ($r = 0.502$, $p < 0.01$) and a negative significant correlation with respect to the Beginner levels ($r = -0.319$, $p < 0.01$). This suggested that when there were increments in the level of financial knowledge, the intermediate levels tended to increase and the beginner level declined.

With respect to the intermediate levels the test showed that a positive significant correlation exists with fund management ($r = 0.269$, $p < 0.01$). This meant that better performances in the management of funds was attributed to high intermediate levels of financial knowledge. In contrast, the advanced levels are not statistically significantly correlated ($r = -0.009$, $p > 0.05$), thus proving their independence from each other.

As for the beginner levels of financial education, the test demonstrated that there was no significant correlation between it and the other variables as analyzed. The suggestion was that the beginner levels do not portray strong association with the intermediate levels or the advanced levels with respect to fund management. The last analysis which was of the

fund management variable, the test showed a positive correlation that was significant with the intermediate ($r = 0.269$, $p < 0.01$) levels and the advanced levels ($r = 0.386$, $p < 0.01$), which went on to indicate that better performances in fund management was closely tied to higher levels of financial knowledge—be it advanced or intermediate levels.

Table 4.10: Correlation analysis table

		Advanced level	Intermediate level	Beginner level	Fund management
Advanced level	Pearson Correlation	1			
	Sig. (2-tailed)				
	N	111			
Intermediate level	Pearson Correlation	.502**	1		
	Sig. (2-tailed)	.000			
	N	111	111		
Beginner level	Pearson Correlation	-.319**	-.009	1	
	Sig. (2-tailed)	.001	.925		
	N	108	108	108	
Fund management	Pearson Correlation	.386**	.269**	-.015	1
	Sig. (2-tailed)	.000	.005	.879	
	N	106	106	105	106

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

This led to the conclusion that there is positive correlation with respect to the performance of fund management as the levels of financial knowledge increases from beginner to intermediate and then to advanced levels. With respect to fund management, the intermediate level exhibited a positive significant correlation which demonstrated its importance in the context. Whereas, the beginner levels showed the opposite—no significant correlation with the other variables, demonstrating that it does not strongly

influence the management of funds. Hence, within the context of the study, the findings highlight the importance and necessity of the development and improvement of financial knowledge in order to enhance the practice of managing funds.

4.3.6 Regression analysis

The regression analysis test was conducted on the study's independent variables for the assessment of the influence that have on fund management and the findings are as shown below.

Table 4.11: Regression analysis

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.407[a]	.166	.141	.71034

a. Predictors: (Constant), Beginner level, Intermediate level, Advanced level

The adjusted R-square was found to be 14.1% while the standard deviation was 0.713, as demonstrated in the table above. The R-square value of 14.1% suggests that approximately 16.6% of the variance in fund management can be explained by literacy levels. From first glace the temptation may be strong to look at this value as a relatively low, however a contextual understanding of the complex relationship between the management of funds and the levels of literacy would change the perspective. Of itself, literacy levels represent the ability to write, read and understand information, while the management of funds involves a diverse range of factors and skills such as the conditions of the market and decision making abilities. Whereby, it would be considered reasonable that reading, writing and understanding information would account for only 16.4%.

Furthermore, though the model accounts for 16.6% of the dependent variable, the model is acceptable based on the research by Ozili (2023) that state, the least acceptable R square

for research model stands at 10% as long as some or most of the explanatory variables are statistically significant. Whereby, anything above the 10% threshold is acceptable, given the conditions are met. Therefore, though the R-square value may seem relatively modest, the results being statistically significant reinforce the necessity of considering the impact literacy levels have on the management of funds as they do play a role in it. The coefficients of each of the three predictor variables and their significance in predicting fund management are presented in Table 4.13.

Table 4.12: *Coefficients of independent variables*

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.542	.531		2.906	.005
	Advanced level	.353	.104	.375	3.391	.001
	Intermediate level	.089	.099	.093	.890	.376
	Beginner level	.122	.107	.111	1.138	.258

a. Dependent Variable: Fund management

As can be seen in the above table, the advanced levels had a t score of 3.391 with a significance of .001 proving that the findings would be different only once for every 1000 times the test was repeated. Stating that the advanced levels do not significantly affect fund management processes within startup churches.

The findings on the intermediate levels would be slightly higher in difference at 37% for every 100 time we run the test. This indicating that only 37% of the sample finding may

be due to collection or sampling error. However, the t score was .890 indicating that significance of the intermediate levels influence on the fund management processes.

The beginner level had a significance score of .258, indicating that for every 100 times the test would be conducted only 25% would the difference occur. The low probability of data collection or sampling error solidified the fact that, this level had no significant statistical impact on fund management.

CHAPTER FIVE: DISCUSSION, CONCLUSION AND RECOMMENDATIONS

5.1. Introduction

The study sought to investigate the effects of the beginner, intermediate and advanced levels of financial education on the fund management of startup churches in Nairobi, having as case study the constituency of Kasarani. The summary presents the study's objectives, the findings, recommendations and guidelines that can be applied, while also suggesting further areas of studies.

5.2 Discussion of Findings

5.2.1. The effects of the advanced levels of financial education on the fund management of startup churches in Nairobi.

In the assessment of the advanced level of financial literacy, the results of the analysis indicate that the advanced level variable portrayed a positive relationship with fund management that was statistically significant. With the coefficient at 0.353, the suggestion was that, there is a predicted increase of 0.353 units in fund management for every one-unit increase in the advanced level variable, this if other variables hold constant. The analysis also noted a standardized coefficient (Beta) of 0.375 which indicated that, in contrast to the other variables of the study, the advanced level had the highest impact on fund management. Whereby highlighting the importance of advanced financial knowledge when the aim is achieving better fund management performance. This disagreed with studies by Jose, Ceribeli and Lana (2017) concerning the levels of financial literacy, which concluded that the financial knowledge does not impact financial behaviors in a significant way. Furthermore, the t-value of 3.391 and a low p-value of 0.001 which were statistically

significant suggested that the relationship between the advanced level and fund management is not likely due to chance.

With respect to this variable, the hypothesis being tested was that "There is no significant relationship between advanced levels of financial studies and efficient management of start-up church funds." (Hypothesis H01). The results of the analysis reject the null hypothesis H01, as there is indication of a significant relationship between the advanced levels of financial studies and the efficiency of the management of funds within start-up church. The advanced level variable had a coefficient of 0.353 ($p = 0.001$) which made it statistically significant, whereby suggesting that improved management of funds in start-up churches was associated with an increase in advanced financial knowledge.

The results hold that persons with advanced financial knowledge would be better equipped to maneuver the requirements of for the making of decisions and the financial challenges for efficient management of church funds. Therefore, the conclusion was that the advanced level of financial studies has a positive significant relationship with efficient management of start-up church funds.

5.2.2. The effects of the intermediate levels of financial education on the fund management of startup churches in Nairobi

In the assessment of the impact of the intermediate level, though the study noted a small level of influence, the general findings observed that the intermediate level did not have a statistically significant relationship with fund management. This levels had a coefficient of 0.089, which indicated a non-significant relationship. However, with the standardized coefficient (Beta) at 0.093, the inference was that there was a relatively smaller impact compared to the other variables. The findings agreed with a study by Anderson and Brown

(2020) on The Role of Short Finance Courses in Enhancing Fund Management Skills. The study found that there was a link between participation of short courses and the improvement of fund management abilities, revealing that individuals who took up short finance courses or obtained financial knowledge at an intermediate level, showed signs of enhancements in their decision-making capabilities, having better assessment skills with respect to risk, and a slightly deeper understanding of financial markets.

However, in contrast to this notion that short courses in finance significantly impact fund management, a study conducted by Johnson et al. (2018) about The Limited Influence of Short-Term Finance Education on Fund Management Performance' found that there was no significant correlation between the completion of short finance courses or intermediate financial knowledge and fund management outcomes. The study highlighted the necessity for further exploration, as it noted that factors other than short-term educational interventions could have a more substantial influence on the performance of fund managers.

On this variable, the hypothesis being tested was that "There is no significant relationship between Intermediate levels of financial studies with efficiency in fund management of start-up churches." (Hypothesis H02). The results of the findings from the analysis fail to reject the null hypothesis H02, since there was indication of no significant relationship between intermediate levels of financial studies and efficiency in fund management of start-up churches. Since the coefficient for the intermediate level variable was at $p=0.376$ it was considered not statistically significant. This went on to suggest that there was no conclusive evidence to support a relationship between intermediate financial knowledge and the efficiency of fund management in start-up churches. Therefore, it was not possible

to establish a link between intermediate levels of financial studies and the efficiency of fund management that was significant in this context.

5.2.3. The effects of the beginner, intermediate and advanced levels of financial education on the fund management of startup churches in Nairobi.

In the analysis of the beginner level of financial knowledge with respect to fund management of start-up churches, the analysis demonstrated that there variable did not have a statistically significant effect on fund management as the variable's coefficient stood at 0.122. The standardized coefficient (Beta) at 0.111 backed the claim in representing a relatively small impact. The relationship between the beginner level and fund management was not considered statistically meaningful or significant due to the relatively high p-value of 0.258. the finding implied that persons with beginner level of financial education would not exhibit differences that are significant in their abilities when it came to the managements of funds in contrast to those with higher or advanced levels. With respect to this variable, the hypothesis being tests stated "There is no significant relationship between Financially illiterate church leaders and fund management of start-up churches." (Hypothesis H03). The results from the analysis fail to reject the null hypothesis H03, indicating no significant relationship between financially illiterate church leaders and fund management of start-up churches. With the coefficient for the beginner level variable standing at ($p = 0.258$) it was concluded as being not statistically significant. This implied that financial illiteracy among church leaders doesn't necessarily hinder efficient fund management within start-up churches. However, it is important to note that the coefficient was positive, indicating a potential positive effect, albeit not statistically significant.

This goes on to agree with a study conducted by Johnson et al. (2018) which found that persons with diverse educational backgrounds, such as engineering, humanities, or social sciences, who transitioned into financial management roles, exhibited mixed results in terms of their performance. While some individuals were able to adapt and excel in their roles, others faced challenges in effectively applying financial principles and strategies. The study highlighted the importance of specialized knowledge in finance and suggested that graduates with formal education or training in finance demonstrated a more consistent and stronger understanding of fund management practices. However, it also acknowledged that individual aptitude and practical experience played a significant role in bridging the gap between educational background and performance outcomes.

5.3 Summary of main findings

Through the assessment of the advanced levels of financial literacy revealed that it had a significantly positive relationship with the efficient management of start-up church funds. The analysis pointed out to a predicted increase of 0.353 units in fund management for every one-unit increase in the variable of the advanced level, with a standardizes coefficient (Beta) being at 0.375 which went on to highlight the impact of the advanced level variable compared to the others in the study.

The results found rejected the null hypotheses in contrast to previous researches with the suggestion of the emphasis of how crucial advanced financial knowledge was in enhancing the performance of fund management. This assessment concluded that individuals who had advanced levels of financial knowledge were better equipped when it came to handling the requirements for decision making and negative financial challenges. It emphasized on the

positive and meaningful correlation between advanced financial studies and the efficient management of funds in churches that are starting up.

When it came to the assessment of the impact of the intermediate level of knowledge on the management of funds, the findings demonstrated that there was no statistically significant relationship to be observed, despite a small level of influence. Having the coefficient for this level at 0.089 was indicative of a non-significant relationship as the standardized coefficient stood at 0.093, which suggested a relatively smaller impact compared the advanced level variable. The hypothesis tested stated that there was no significant relationship between the intermediate levels of financial studies and the efficiency in the management of funds of the start-up churches (HO2), which was rejected on the results.

The coefficient at P=0.376 being non-statistically significant suggested that there was no conclusive evidence to support the significance of the relationship between the intermediate level of financial knowledge and the efficiency of the management of funds within start-up churches. This highlighted the challenge of establishing a link that is substantial within this context. This went on to emphasize the complexity of linking the levels of financial literacy to practical outcomes in these types of organizations—start-up churches—which offered that the cultures of the organizations, external behaviors or individual behaviors and other such factors could be playing a crucial role in the management of finances therein.

In the analysis of the variable of beginner level knowledge concerning the management of funds of star-up churches, the research revealed a statistically non-significant effect having the variable's coefficient at 0.122 and the standardized coefficient (Beta) at 0.111 which

was indicative of a relatively small impact. The relatively high p-value of 0.258 demonstrated that the relationship between the beginner level and fund management was not statistically meaningful, hence the null hypothesis (H03) was not rejected. This emphasized there not being a significant relationship between financially illiterate church leaders and the management of funds of start-up churches. Although not statistically significant, the positive coefficient suggested there being a positive effect. This implied that financial illiteracy among church leaders would probably not hinder efficiency of fund management within start-up churches to a certain degree.

5.4 Conclusion

After gathering data from 111 respondents working in the three levels of church leadership—top and middle management and general staff—the research determined that, one of the three levels of financial literacy had a positive significant impact on the management of funds (8 0%). The analysis provided evidence to support a significant relationship between the advanced levels of financial education and the efficiency of the management of funds for start-up churches. There were no significant relationships between the intermediate levels of financial education or beginner levels of financial illiteracy of church leaders and the efficient management of funds in start-up churches.

The theory that underpinned this study stated that leaders can be built through enforcement of behaviors and practices, whereby testing if people who don't have a level of academic knowledge of a particular field would not be efficient in that specific filed. Based on the finding, the research demonstrated that academic knowledge in itself did not account for a substantial part of the practice required (16.6%). Thus, leaving way to establish that much of the practices are more accounted for by behaviors rather than literacy in itself as it is but

the ability to read, write and professionally understand information pertaining to a specific field of academia or philosophy.

The findings also suggested that, though start-up churches may be in their initial stages of existence, the advanced levels of financial education play crucial roles when it came to the management of their funds. Howbeit, it is important to consider other contextual factors and potential limitations of the analysis. Future research should continue to explore the complex dynamics of financial literacy and its impact on fund management in diverse church settings. To this end, it would be concluded that literacy in and of itself would be limited in explaining the variance in the management of funds. Whereby, behaviors and practices are to be associated with the academic knowledge acquired through the educational structures in order to complete the balance.

The research also pointed out that the intermediate level was to be noted for further inspection as the coefficient of variable was at 0.376, as shown in figure 4.13, indicating that 37% of the findings may be due to sampling error. This suggest that the exercise redone with a larger sample could portray different results noting that the t-score was at .890 which indicated some level of significance of its influence on the management of funds. This leads to a conclusion that, trainings and courses on financial management that are custom or tailor-made courses improve the short-term financial management skills of start-up church fund managers. With respect to these findings, it is clear that churches should emphasize on a comprehensive approach to financial management that combines both financial education and a culture of effective behaviours and practices to this end. Though the advancement of financial literacy may provide a strong foundation, that which causes the distinction when it comes to efficient fund management lie in the behaviours and

practical applications of the learned principles. This is why tailored trainings on financial management and ongoing professional development are of great necessity in the equipping of church leaders the needed skills to efficiently manage funds

Furthermore, the study puts emphasis on the importance of the potential variability and the context when it comes to the practices of financial management. When startup churches are going through their formative phases, they are supposed to be made adaptable and responsive to the challenges they may face and go through. These dynamics should be explored in future researches in order to provide deeper and more insightful recommendations. Through a combination of practical experience and academic knowledge that would result to adaptive behaviors, start-up churches would be able to achieve long-term success and while putting themselves in a position to enhance the stability of their finances.

5.5 Recommendations

From the findings of the study, the following recommendations may be considered to increase the efficiency of fund management of start-up churches

Based on the research results, it is recommended that church organizations ensure that leaders handling the fund management of their organizations have an advanced level of financial education as this is proven to enable better fund management. However, the researcher recommends further studies for the following reasons. The first being that the size of the sample of the study might bring a slightly different result—especially if the size increases rather than decreasing.

This might lead to a more conclusive decision in regards to this level of financial education and its impact on financial management of startup church organizations. This leads to the second point which is the need for further research as the number of church organizations will keep on increasing in proportion with the human population increase. As the research has proven, due to the fact that the number of churches is but increasing, there is great need for the standardization of governmental requirements on regulations of church finances. Whereby, this becomes a matter of interest locally and even globally.

The other recommendation based on the research findings, while the results do not support a significant relationship between the intermediate levels of financial knowledge and fund management, further research with a larger sample size or more refined measures of financial literacy may provide more conclusive evidence on the impact of intermediate level financial literacy among church leaders.

As the study noted and demonstrated, there is a great difference between financial knowledge and financial practices whereby, some might have financial knowledge but not practice what they actually know. The fact that more than 70% of measures of financial management fell on practices, the researcher recommends future researches to concentrate on the elements of behaviors and practices as these seems to account for a substantial size of the variance in the management of start-up church funds.

The final recommendation based on the findings, the stakeholders of start-up church organizations should require for fund managers to have a higher-level degree or certification such as university degree for the leaders managing funds as this would provide the tenets for the highest level of accountability when need by stakeholder within the society.

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APPENDICES

Appendix I: Questionnaire

Thank you for participating in the research on the Effect of church leaders' financial literacy levels on funds management of start-up church organizations, which has as a case study, Kasarani constituency.

Be assured that the information that you will provide through this questionnaire will be confidential, and will be used within the study in a manner that respects and maintains your anonymity. Your time and responses contributed to this research are greatly appreciated.

Kindly note that, after the form is successfully filled and completed, the submission will be to the researcher.

SECTION ONE: DEMOGRAPHIC INFORMATION

Please mark as applicable

1. Gender

    a. Male [ ]

    b. Female [ ]

2. Please indicate your level of education

    a. Diploma [ ]

    b. Bachelor [ ]

    c. Masters [ ]

    d. Doctorate [ ]

    e. Other (Please specify) _____

3. What is your position at your current organization?

    a. Top Level Management [ ]

    b. Middle level Management [ ]

c. Operations and administration [ ]

4. What is the size of your church?
   a. 25-50 [ ]
   b. 50-100 [ ]
   c. 100-200 [ ]
   d. Over 200 [ ]

5. How long have you been working with your current church organization?

   a. Less than 1 year [ ]
   b. 2 – 3 years [ ]
   c. 4 years and above [ ]

6. How long have you been making financial decisions for the church?

   a. Less than 1 year [ ]
   b. 2 – 3 years [ ]
   c. 3 years and above [ ]

SECTION TWO:

In the following section, understanding that the values represented her by represent the following answers:

1 = Strongly disagree, **2** = Disagree, **3** = Neutral, **4** = Agree, **5** = Strongly agree,

Mark the value that best represents your experience working with your church organization as per the questions asked here below.

Please indicate your level of agreement to the statements listed in the table below in relation to how advanced levels of financial studies in church leadership affects the management of funds of start-up churches.

Use the following Likert scale by ticking or crossing where appropriate. The rating is as follows

1 = Strongly disagree, 2 = Disagree, 3 = Neutral, 4 = Agree, 5 = Strongly agree,

I. Advanced Level

No.	Statement	1	2	3	4	5
1	A PHD in finances is an overkill in as much as fund management of start-up churches are concerned.					
2	A CPA certificate is primordial and critically essential in fund management of start-up churches.					
3	A degree is of extreme necessity to manage funds in a startup church.					

Please indicate your level of agreement to the statements listed in the table below in relation to how the intermediate levels of financial studies affect the fund management of start-up churches. Use the following Likert scale by ticking or crossing where appropriate. The rating is as follows

1 = Strongly disagree, **2** = Disagree, **3** = Neutral, **4** = Agree, **5** = Strongly agree,

II. Intermediate Levels

No.	**Statement**	**1**	**2**	**3**	**4**	**5**
1	financial certifications are as efficient as undergraduate degrees in terms of fund management of start-up church organizations.					
2	without out prior professional and academic trainings, specific financial crush courses are sufficient to enable one to adequately management funds within start-up churches.					
3	Financial seminars and workshops can provide adequate and required practical knowledge in terms of fund management of start-up churches as a university undergraduate degree would provide for the same purpose.					

Please indicate your level of agreement to the statements listed in the table below in relation to how church leaders with a beginner level knowledge of finance affects the fund management of start-up churches.

Use the following Likert scale by ticking or crossing where appropriate. The rating is as follows

1 = Strongly disagree, **2** = Disagree, **3** = Neutral, **4** = Agree, **5** = Strongly agree,

III. Beginner Levels

No.	Statement	1	2	3	4	5
1	Graduates of other disciplines can manage funds of startup churches as similarly as undergraduates of financial studies.					
2	On the Job training are beyond sufficient for management of funds in startup churches					
3	Without prior professional academic training, the duration of operational years of an employee in startups financial management can be an adequate qualification to manage funds within start-up churches.					

SECTION THREE:

In the following section, understanding that the values represented her by represent the following answers:

1 = Strongly disagree, **2** = Disagree, **3** = Neutral, **4** = Agree, **5** = Strongly agree,

Mark the value that best represents your experience working with your church organization as per the questions asked here below.

I. **Fund management**

No.	**Statement**	**1**	**2**	**3**	**4**	**5**
1	work experience and operational years affect the basic accounting and budgeting methods used and provided my managers.					
2	Without considering prior financial academic training, on the Job taught managers can give good financial projections in as much as fund management of startup churches are concerned.					
3	The financial reporting within the fund management of start-up churches is significantly affected by the levels of education of the managers within the churches.					

Please indicate your level of agreement to the statements listed in the table below in relation to how church leaders with a beginner level knowledge of finance affects the fund management of start-up churches.

Use the following Likert scale by ticking or crossing where appropriate. The rating is as follows

1 = Strongly disagree, **2** = Disagree, **3** = Neutral, **4** = Agree, **5** = Strongly agree,

I. Financial novices

No.	Statement	1	2	3	4	5
1	Graduates of other disciplines can manage funds of startup churches as similarly as undergraduates of financial studies.					
2	On the Job training are beyond sufficient for management of funds in startup churches					
3	Without prior professional academic training, the duration of operational years of an employee in startups financial management can be an adequate qualification to manage funds within start-up churches.					

Appendix II: Research Permit

5th, May, 2023

E-mail: researchwriting.mba.anu@gmail.com

Tel. 0202711213

Our Ref: 17S03EMBA006
The Director.
National Commission for Science,
Technology and Innovation
(NACOSTI), P. O. Box 30623, 00100
Nairobi. Kenya.

Dear Sir/Madam:

RE: RESEARCH AUTHORIZATION FOR: SHEKINAH HOSSEYA WASAKUMUNUA

Mr. Shekinah is a postgraduate student at Africa Nazarene University in the Master of Business Administration (MBA) program.

In order to complete his program, Mr. Shekinah is conducting research entitled: "**Effect of Financial Literacy Levels of Church Leaders on Funds Management of Start Up Church Organizations: A Case of Kasarani Constituency, Nairobi Kenya"**

Any assistance offered to him will be highly appreciated.

Yours Faithfully,

DR. Kimani Gichuhi,

MBA, Coordinator,

School of Business,

Africa Nazarene University.

Appendix III: Research Permit

REPUBLIC OF KENYA

NATIONAL COMMISSION FOR SCIENCE,TECHNOLOGY & INNOVATION

Ref No: **510117**

Date of Issue: **25/May/2023**

RESEARCH LICENSE



This is to Certify that Mr.. Shekinah Wasakumunua Hosseya of Africa Nazarene University, has been licensed to conduct research as per the provision of the Science, Technology and Innovation Act, 2013 (Rev.2014) in Nairobi on the topic: EFFECT OF FINANCIAL LITERACY LEVELS OF CHURCH LEADERS ON FUNDS MANAGEMENT OF START UP CHURCH ORGANIZATIONS: A CASE OF KASARANI CONSTITUENCY, NAIROBI KENYA for the period ending : 25/May/2024.

License No: **NACOSTI/P/23/26024**

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See overleaf for conditions

Appendix 4: Map of study area



APPENDIX 5: TIME FRAME SCHEDULED ACTIVITIES

Activity	Duration
Collecting information	2.5 weeks
Review and information analysis & processing	1.5 weeks
Compile and report findings	2 weeks
Documentation	1 week

Appendix 6: List of Churches

Crown of life ministries

Life Today christian church

Prophetic city church

Kingdom seekers fellowship

Celebration Sanctuary Church

First Baptist Church

Family Celebration Church

CFF Church Mwiki

Kingdom Affirmation Church

Christ My lord

Sunton Full Church

Heart To Heart Church

VIC church

Apostolic church Ruai

African Inland Church

Canaan Full Gospel churches

Christ Alive

Grace of Worship

Church Of God

Calvary Worship Center

Appendix 7: BUDGET

Items	**Details**	**Cost**
Stationery	Printing papers	3,000
	Binders	1,850
Training research assistant	Lunches	4,500
	Allowances	16,000
Transport		4,000
Data collection	Internet	2,900
	Distribution of instruments	3,700
	Collection of instruments	3,850
Production of the documents	Typesetting	1,200
	Printing	2,340
	Photocopying	1,800
	Binding	500
Data Analyst		12,250
Total		**57,890**