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RESEARCH ARTICLE

EFFECT OF CHURCH STRUCTURES ON FINANCIAL PERFORMANCE OF CHURCH OF UGANDA-FOUNDED PRIVATE SECONDARY SCHOOLS: EVIDENCE FROM GREATER ANKOLE DIOCESES, UGANDA

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Abstract

Purpose: This study investigates the effect of Church structures on the financial performance of Church of Uganda-founded private secondary schools in Greater Ankole Dioceses. The research addresses a critical gap in understand ing how church policies and hierarchy, within the context of resource-based, incremental budgeting, and systems management frameworks, shape financial outcomes in Church of Uganda-founded private secondary schools.

Design/Methodology/Approach: A convergent mixed-methods design was employed, integrating quantitative survey data from 365 respondentsfrom the school stakeholders that is the Bishops office staff, Church field staff, school management committees, School administrative staff and Government officials and qualitative interviews. Church structures were measured using validated scales, and financial performance was assessed through self-reported indicators. Exploratory and confirmatory factor analyses (EFA/CFA) validated the constructs, and structural equation modeling (SEM) tested the hypothesized relationships. Reliability and validity were established through Cronbach's alpha, composite reliability, and average variance extracted.

Findings: The results revealedthat Church structures have a weaker, non-significant effect. Church hierarchy is negatively associated with financial performance. The findings highlight the importance of church policies in shaping financial performance, especially in the revenue-constrained, Church of Uganda-founded private secondary schools.

Originality/Value: This study contributes to the body of literature by providing empirical evidence from a unique context that Church structures in relation to policy and hierarchy impact to Church of Uganda-founded private secondary schools in the province of the church of Uganda especially in the greater Ankole Dioceses have on financial performance, interpreted through the lenses of resource-based, incremental budgeting, and systems management theories. The findings offer actionable insights for policymakers, school administrators, and church authorities seeking to improve church policies and financial performance.

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Introduction:-

Educational services are vital for national development, social change, and community transformation (MoES, 2019). Church of Ugandaprivate-founded secondary schools play an important role in supporting Government efforts to expand access to quality education (Kazimba-Mugalu, 2024; MoES, 2019). These Church schools are recognized for their moral principles, community engagement, and holistic approach to student development (Kazimba-Mugalu, 2024). However, they face persistent managerial challenges in financial management, which ultimately threaten their financial performance and effectiveness (Tumwine, 2022).

The financial healthof these schools is characterized by resource constraints, fluctuating student enrollments, and a heavy reliance on parents'feescontributions (Kazimba-Mugalu, 2024; Mwebesa&Namagembe, 2021). Unlike public schools, Church of Uganda-founded private secondary schools must generate and manage their own resources, often with limited external support (Tumwine, 2022). This situation is further complicated by the socioeconomic realities of the communities they serve, where many of the Christians struggle to meet school fees and other school needs (Kazimba-Mugalu, 2024). As a result, school administrators must balance the dual imperatives of financial performance and educational mission, often under conditions of uncertainty and risk (Mwebesa&Namagembe, 2021).

Church structuresin the form of policies are essential for the growth and development of Church of Uganda private founded secondary schools (Kazimba-Mugalu, 2024). However, the effectiveness of these church policies is influenced by Church authorities, including the Archbishop, the Bishops, the Archdeacons, the Parish priests, the lay readers and the core Church bodies such as Mothers union, Fathers union, the Boards of Governors (BOGs), Parent-Teacher Associations (PTAs), and administrative staff (Tumwine, 2022). Church structures—Church hierarchy, and Church policies—shape decision-making, stakeholder engagement, and the implementation of church policies (Kazimba-Mugalu, 2024).

However much these Church structures are recognized for their role in Church of Uganda private founded secondary schools, there is limited empirical research on how these Church structures impact financial performance in Church of Uganda-founded private secondary schools in Uganda in greater Ankole Dioceses (Mwebesa&Namagembe, 2021). Most research studies have focused on Governmentaided institutions or do not consider the unique nature of church of Uganda-founded secondary schools (Nguyen &Rieger, 2020). This methodological gap is significant, given the increasing role of private and Church of Uganda-founded private secondary schools in providing education services to improve and achieve national development goals (MoES, 2019).

Literature Review:-

Theoretical Framework

This study is grounded in three complementary theoretical frameworks: Resource-Based View Theory, Incremental Budgeting Theory, and Systems Management Theory. These theories provide a comprehensive foundation for understanding how Church structures impact and influence financial performance in Church of Uganda-founded private secondary schools.

The Resource-Based Theory or resource-based view (RBV) propounded by Barney (1991) stresses that firms or organizations can earn above-average returns (economic rent) by achieving competitive advantage through effective management of their unique, valuable, and difficult-to-imitate resources (Barney, 1991). In educational institutions, Church policiesrepresent a critical intangible resource that shapes how other resources are deployed and utilized. Effective policies enable schools to optimize resource allocation, develop distinctive capabilities, and achieve superior financial outcomes. For Church of Uganda-founded private secondary schools, RBV highlights how leadership practices can be leveraged as strategic assets to address financial challenges and enhance institutional sustainability. The theory suggests that schools with clear policies that are aimed to effectively mobilize, plan, organize, control and coordinate resources will demonstrate better financial performance.

This study was also pinned on Incremental Budgeting Theory by Charles Lindblom (1959) that complemented Resource Based Viewby focusing on how financial decisions are made within organizations. This theory suggests that budgeting process typically builds incrementally upon previous allocations rather than starting from zero each cycle (Wildavsky, 1964). Church structures significantly influence how incremental budgeting is implemented, particularly in determining which areas receive additional resources and which face reductions. In Church of

Uganda-founded private secondary schools, where revenues are often low and inadequate, church policies that balance incremental stability with strategic reallocation are essential for improved financial performance.

Systems Management Theory provides a holistic perspective by emphasizing the interconnectedness of organizational components (Kast &Rosenzweig, 1972). This theory views educational institutions as complex systems where Church policies as well as hierarchy are critical coordinating mechanisms that integrate various subsystems, including financial management, human resources, and educational delivery policies. Church structures determine how effectively these subsystems are aligned and coordinated to achieve financial objectives. For Church of Uganda-founded schools, which operate at the intersection of educational, religious, and community systems, Systems Management Theory highlights the importance of these structural approaches that effectively navigate these complex interconnections. The theory suggests that church structures that promote adaptive coordination across subsystems will enhance financial performance.

Together, these theoretical frameworks provide a robust foundation for analyzing how Church structures affect financial performance in Church of Uganda-founded private secondary schools.

Empirical Evidence

Research Studies in Uganda and similar contexts highlight the role of Church structures in shaping school financial performance. Church of Uganda human resources policy is associated with higher staff motivation and stakeholder engagement, while Finance management policy can enhance efficiency if supported by clear structures (Mwebesa&Namagembe, 2021). Church admnistrative hierarchy may ensure proper coordination and compliance but can stifle innovation. However, the overall effect of church structures on financial performance remains contested, with some studies finding no significant relationship due to contextual constraints such as improper policy formulation and policyimplementation challenges.

Church structures and Financial Performance

The relationship between Church structures and financial performance has been a subject of extensive research across various organizational contexts, including education. In schools, effective church policies are considered crucial for creating a supportive environment, mobilizing resources, and ensuring accountability, all of which can impact financial outcomes (Leithwood et al., 2007). However, the specific mechanisms through which these policies influence financial performance are complex and contingent on contextual factors such as school type, governance structures, and resource availability (Nguyen &Rieger, 2020).

Church structures, characterized by the involvement of different stakeholders in decision-making, have been linked to improved financial performance in some studies. By fostering a sense of ownership and shared responsibility, collective policy implementation can enhance stakeholder engagement, increase resource mobilization, and promote innovative solutions to financial challenges (Comninos, 2021; Mwebesa&Namagembe, 2021). However, the benefits of church structures may be limited in contexts where decision-making authority is centralized or where stakeholders lack the expertise or resources to contribute effectively (Somech, 2010).

Church policies in the context of church structures, that involve the legal framework set up by the Church which the church entrusts with its different stakeholders as well as its authorities influence financial performance by enhancing efficiency, building capacity, and promoting professional development (Harris, 2013). By empowering staff members to manage resources and make financial decisions within their areas of expertise, proper church policies can improve resource allocation, reduce costs, and foster a culture of accountability (Spillane, 2006). However, the success of policy implementation depends on clear communication, adequate support, and well-defined policy parameters; without these, policy implementation may lead to confusion, inconsistency, or a lack of accountability (Bush & Glover, 2014).

In the context of Church of Uganda-founded private secondary schools in Uganda, the relationship between Church structures and financial performance is further complicated by the unique challenges and opportunities facing these institutions. These Church founded private secondary schools often operate with limited resources, heavy reliance on parental contributions, and complex governance structures involving church authorities, school administrators, and community stakeholders (Kazimba-Mugalu, 2024).Therefore, effective Church policies in this context require a nuanced understanding of these policies in force and operation and the ability to navigate their implementation as a means to mobilize resources, and foster a culture of financial sustainability of the said schools in question.

Church policies

A Church policy refers to guidelines and rules governing church operations, decision making and leadership as well as guidelines for member behavior, ethics and moral standards. They emphasize the involvement of multiple stakeholders in decision-making processes. In educational settings, these policies in force is characterized by the inclusion of different church organs for their success and implementation to achieve the intended aim. These may include in the case of schools under study, teachers, staff, and sometimes even students and parents in key school decisions (Bush & Glover, 2014). Participative policy formulation fosters a culture of collaboration, transparency, and shared responsibility, which has been shown to enhance organizational commitment and morale (Somech, 2010). In the context of faith-based schools, Church policies align with the values of inclusivity and community engagement, often leading to greater buy-in from stakeholders and improved implementation of school policies (Kazimba-Mugalu, 2024). Empirical studies have found that clear policies are positively associated with school effectiveness, innovation, and, in some cases, financial performance, as it encourages clear implementation (Comninos, 2021; Mwebesa&Namagembe, 2021). However, the effectiveness of Church policy implementation can be constrained by contextual factors such as hierarchical governance structures and limited autonomy, which may restrict the extent to which stakeholder input is acted upon (Nguyen &Rieger, 2020).

Church hierarchy

The Church hierarchy is the organizational structure of the church in this case Church of Uganda outlining the different levels of authority, responsibility and governance. In schools, the context of Churchhierarchy is seen from the top administration involving the Province, the Diocese, the Archdeaconry, the Parish and the sub parish respectively where different stakeholders involving the Archbishop, the Bishops, the Archdeacons, the parish priests and ray leaders are at the center stage along with the laity who participate in the leadership roles of the church empowering them to make decisions within their areas of expertise (Harris, 2013). Church hierarchy is associated with increased efficiency, clear leadership, capacity building, and professionalism, (Leithwood et al., 2007).

In Church of Uganda-founded private secondary schools, Church hierarchy can foster a sense of ownership and accountability among staff, which is critical for sustaining school operations in resource-constrained environments (Kazimba-Mugalu, 2024). Research indicates that Church hierarchy and leadership can enhance organizational adaptability and resilience, particularly during periods of change or crisis (Murari& Mukherjee, 2021). However, the success of church proper hierarchy depends on clear communication, adequate support, and well-defined roles; without these, may lead to confusion, inconsistency, or a lack of accountability (Bush & Glover, 2014; Harris, 2013).

Methodology:-

Research Design

To investigate the relationship between Church structures and financial performance in Church of Uganda-founded private secondary schools within Greater Ankole, Uganda, this study adopted a mixed-methods approach. Specifically, a convergent parallel design was adopted, facilitating the concurrent collection and analysis of quantitative and qualitative data. This design strategically leverages the strengths of both methodologies, enabling a more robust and comprehensive analysis of the research problem. The integration of quantitative and qualitative findings occurred during the interpretation phase, providing a holistic understanding and enhancing the validity of the study's conclusions.

Population and Sampling

The target population for this research study consisted of all Church of Uganda-founded private secondary schools within the Greater Ankole region, Uganda, totaling approximately 49 secondary schools. To maximize representativeness, a census approach was employed, encompassing all eligible schools. Within each participating school, key informants were identified through purposive sampling. These informants included Diocesan Bishop office staff, Government officials, Church field staff, School management committees and school administrative staff involving head teachers, deputy head teachers, bursars.

The quantitative component of the study involved a total of 365 respondents, providing a robust sample size suitable for statistical analysis. Complementing this, the qualitative component comprised 16 in-depth interviews conducted with school administrators and diocesan education officers and Government officials (District education officers). These interviews aimed to provide nuanced perspectives on Church structures and the financial challenges faced by these institutions.

Data Collection Instruments

Quantitative Data Collection:

A structured questionnaire was meticulously developed, drawing on established and validated scales to measure church structures and financial performance, and was carefully adapted to the Ugandan faith-based school context. The instrument operationalized two church structures constructs; Church policies, and Church hierarchyusing items grounded in relevant theoretical frameworks and supported by prior empirical research.

Financial performance was evaluated using self-reported indicators, including budget performance, liquidity (the ability to meet short-term obligations), and revenue generation (capacity for ongoing operations and growth). All questionnaire items were rated on a five-point Likert scale, ranging from 1 (Strongly Disagree) to 5 (Strongly Agree), to ensure consistency and facilitate robust statistical analysis.

Qualitative Data Collection

A semi-structured interview guide was developed to explore participants' lived experiences with Church structures, decision-making processes, stakeholder engagement, and leadership styleswithin faith-based private secondary schools. The guide included open-ended questions designed to elicit detailed information about church structures on school financial performance. Interviews were audio-recorded with participants' informed consent and transcribed verbatim. Thematic analysis was employed to systematically identify, analyze, and report patterns within the qualitative data, providing nuanced insights that complemented the quantitative findings.

Data analysis

The data analysis process in this study involved both quantitative and qualitative methods, consistent with the mixed-methods approach adopted. The analysis was conducted in two stages: quantitative data analysis and qualitative data analysis. The findings from both analyses were triangulated to provide a comprehensive understanding of the research problem.

Measurement Model and Construct Validation

A rigorous two-stage analytical approach was adopted to ensure the reliability and validity of the measurement model for church structures and financial performance. Initially, exploratory factor analysis (EFA) was conducted to uncover the underlying factor structure of Church structures scale. The Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy was 0.840, and Bartlett's test of sphericity was significant ($p < .001$), confirming the suitability of the data for factor analysis.

Subsequently, confirmatory factor analysis (CFA) was performed using JASP 0.19.3. 0 to validate the factor structure. Model fit indices indicated a good fit to the data ($\chi^2/df = 1.95$, CFI = 1.0>0.95, TLI = 1.0>0.95, RMSEA = 0.00>0.08). Construct reliability was assessed using Cronbach's alpha and composite reliability (CR), both of which exceeded 0.80 for all constructs. Convergent validity was established through average variance extracted (AVE), with all values above 0.50. Discriminant validity was confirmed as the square root of AVE for each construct exceeded the inter-construct correlations, indicating that the constructs were empirically distinct.

Structural Equation Modeling (SEM) Procedures

Structural equation modeling (SEM) was employed to test the hypothesized relationships between Church structures and financial performance. SEM enabled the simultaneous estimation of both measurement and structural models, accounting for measurement error and providing robust parameter estimates. The model specified church policies, and Church hierarchy as exogenous latent variables, and financial performance as the endogenous latent variable.

Model fit was evaluated using multiple indices, including chi-square/degrees of freedom (χ^2/df), comparative fit index (CFI), Tucker-Lewis index (TLI), and root mean square error of approximation (RMSEA). Path coefficients were interpreted to assess the strength and direction of the hypothesized relationships between church structures and financial performance.

Qualitative data underwent thematic analysis, a theory-informed method employed to discern patterns and themes pertinent to Church structures and financial performance. The analytical process commenced with an immersion phase, wherein interview transcripts were thoroughly examined to develop an initial comprehension of the data. Salient phrases and concepts were then subjected to coding, facilitating the identification of recurrent themes. These

codes were subsequently synthesized into overarching themes that corresponded with the study's objectives. Ultimately, the themes were interpreted within the framework of the research problem, yielding more profound insights into the qualitative data.

To ensure robustness and comprehensiveness, the findings derived from the quantitative and qualitative analyses were triangulated during the interpretation stage. This involved a comparative assessment and integration of results from both datasets, aimed at establishing coherence and providing a holistic perspective on the interplay between church structures and financial performance. This triangulation process served to enhance the credibility and reliability of the study's conclusions.

Descriptive and inferential statistics, along with SEM, were computed using JASP. Thematic analysis was conducted and supported using Nvivo 14 to ensure accuracy and depth.

Results:-

Demographic Characteristics

Table 4.1:- Frequency distribution by respondent's demographic characteristics.

Variable	Category	Frequency	Percent	Valid Percent	Cumulative Percent
Diocese	Ankole Diocese	88	24.6	24.6	24.6
	North Ankole Diocese	33	9.2	9.2	33.8
	North West Ankole Diocese	34	9.5	9.5	43.3
	South Ankole	87	24.3	24.3	67.6
	West Ankole	116	32.4	32.4	100
	Total	**358**	**100**	**100**	
Position held	Support staff	39	10.9	10.9	10.9
	Administrative staff	67	18.7	18.7	29.6
	Management commitees	114	31.8	31.8	61.5
	Church field staff	95	26.5	26.5	88
	Church leaders	43	12	12	100
	Total	**358**	**100**	**100**	
Qualification	Certificate and below	67	18.7	18.7	18.7
	Diploma	146	40.8	40.8	59.5
	Bachelors degree	141	39.4	39.4	98.9
	Post graduate degree	4	1.1	1.1	100
	Total	**358**	**100**	**100**	
Duration spent at school	less than a year	3	0.8	0.8	0.8
	1-5 years	235	65.6	65.6	66.5
	6-10 years	107	29.9	29.9	96.4
	11-15 years	6	1.7	1.7	98
	16-20 years	5	1.4	1.4	99.4
	over 20 years	2	0.6	0.6	100
	Total	**358**	**100**	**100**	
Age	20-30	84	23.5	23.5	23.5
	31-40	62	17.3	17.3	40.8
	41-50	94	26.3	26.3	67
	51-60	88	24.6	24.6	91.6
	61-70	30	8.4	8.4	100
	Total	**358**	**100**	**100**	

Table 4.1 presents a demographic overview of the study participants, highlighting the diversity of the sample. The respondents represented a range of dioceses within the Greater Ankole region, with the largest proportion originating from the West Ankole diocese (32.4%), followed by Ankole diocese (24.6%), and a smaller representation from North Ankole (9.2%). The sample also included individuals holding various positions within the

schools, with the majority serving on Management Committees (31.8%) and a smaller proportion comprising support staff (10.9%). In terms of educational attainment, the largest group of respondents held a Diploma (40.8%), while a small fraction possessed postgraduate degrees (1.1%). The length of service at their respective schools varied, with most respondents having worked for 1-5 years (65.6%), and a very small number having served for 16-20 years (1.4%). The age distribution of the respondents was relatively balanced, with 23.5% aged 20-30 years and 24.6% aged 51-60 years. Collectively, these demographic characteristics suggest a comprehensive representation of individuals engaged in the administration and operation of Church of Uganda-founded secondary schools in the Greater Ankole region.

Table 4.2:- KMO and Bartlett's Test by Church structures.

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.840
Bartlett's Test of Sphericity	Approx. Chi-Square	5891.584
	Df	78
	Sig.	.000

The appropriateness of church structures data for factor analysis was evaluated using the Kaiser-Meyer-Olkin (KMO) measure and Bartlett's Test of Sphericity.

As indicated in Table 4.2, the KMO value was 0.840, which is well above the minimum acceptable threshold of 0.5, demonstrating that the sample was adequate for factor analysis. Furthermore, Bartlett's Test of Sphericity produced a highly significant result ($\chi^2 = 891.584$, df = 78, $p < 0.001$), confirming that the correlations among the items were sufficiently large for factor analysis.

Table 4.3:- Total Variance Explained.

	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
Component	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	3.974	30.573	30.573	3.974	30.573	30.573	2.694	20.726	20.726
2	1.409	10.836	41.409	1.409	10.836	41.409	1.871	14.396	35.122
3	1.052	8.090	49.499	1.052	8.090	49.499	1.869	14.377	49.499
4	.936	7.202	56.701						
5	.908	6.985	63.686						
6	.796	6.121	69.807						
7	.730	5.618	75.425						
8	.642	4.941	80.367						
9	.596	4.587	84.954						
10	.550	4.231	89.185						
11	.507	3.897	93.081						
12	.472	3.633	96.715						
13	.427	3.285	100.000						

Extraction Method: Principal Component Analysis.

Table 4.3 summarizes the total variance explained by each component in the principal component analysis. Examining the 'Rotation Sums of Squared Loadings,' the first component accounts for 20.726% of the variance, while the second, and third, components explain 14.396%, and 14.377% respectively. The cumulative variance explained by these first four components is 49.499%. Components beyond the third explain a progressively smaller proportion of the variance.

The scree plot in Figure 4.1 visually represents the eigenvalues associated with each principal component for the church structures scale. The plot shows a steep decline from the first to the second component, followed by a more

gradual decrease across subsequent components. This pattern indicates that the first few components account for most of the variance in the data.

Specifically, there is a clear "elbow" at the third component, after which the eigenvalues level off and form a relatively flat line. This suggests that the first three components are meaningful and were retained for further analysis, as they capture the substantial structure in Church structures data. Components beyond the third contribute minimally to explaining additional variance and are likely to represent noise rather than distinct underlying factors.

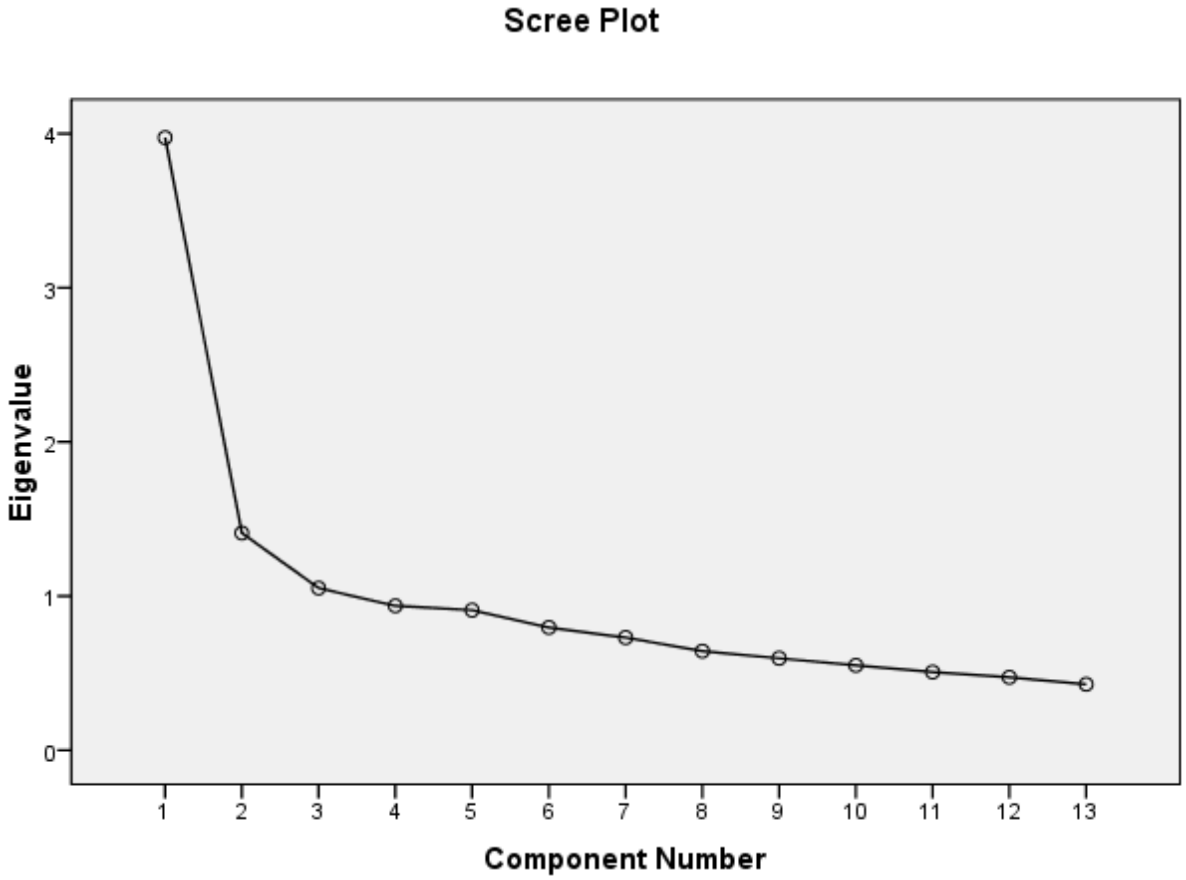

Figure 4.1:- Scree plot of the total variance matrix for Church structures.

Table 4.4 presents the rotated component matrix for Church structures, showing how the items loaded onto the different factors. Initially, three components were extracted; however, only those components with at least three items loading substantially on them are included in the table. This ensures that each reported factor is robust and interpretable within the context of Church structure among school stakeholders.

Table 4.4:- Rotated Component Matrix[a]

	Component		
	1	2	3
E2.2 Church policies on financial matters are always implemented to promote good financial practices in this school	.780		
E2.3 Church leaders have always been supportive when it comes to making good and progressive financial decisions for the schools	.692		
E2.4 Church policies have always enabled schools maintain financial trust and accountability	.686		
E2.1 In this diocese; church policies often are in favor of the schools on matters of financing their projects	.648		
E1.8 Church hierarchy in this diocese has always supported strategies for resource mobilization in this school/schools in the diocese	.557		
E1.4 The diocese is involved in making decisions about financial matters of this school		.834	
E1.5 The decisions of the diocese on matters of finance in the diocesan school have always made positive impact on the progress of these schools		.574	
E1.3 The parish decisions do not affect the way finances are managed in this school			
E1.6 The decisions from the diocese regarding financial matters have always been contrary to the financial goals of this school			
E1.7 Diocesan decisions of matters of finance have always delayed implementation of financial programs and projects in the school			.780
E1.9 Church hierarchy and decisions regarding financial matters have often affected implementation of positive financial decisions in this school			.591
E1.1 The Parish is greatly involved in making decisions about financial matters of this school			.576
E1.2 The Parish decisions negatively affect the financial management of this school			.519

Extraction Method: Principal Component Analysis.
Rotation Method: Varimax with Kaiser Normalization.

a. Rotation converged in 5 iterations.

From Table 4.4 above, all the items have a coefficient greater than 0.3. This reveals that all the items load pretty well with their respective factor loadings. Further still, the items were parceled according to their loadings.

Measurement Model

The measurement model for Church structures was rigorously evaluated to ensure both reliability and validity. Church structures were measured using multiple indicators reflecting key dimensions relevant to school financial performance. Confirmatory factor analysis (CFA) was conducted to assess the relationships between the observed items and the underlying church structures variable.

Reliability was confirmed with Cronbach's alpha and composite reliability (CR) values both exceeding 0.8, indicating strong internal consistency among the church structure items.

Convergent validity was established as the Average Variance Extracted (AVE) for Church structures was above 0.5, demonstrating that the construct explained more than half of the variance in its indicators. All factor loadings for Church structures items were above 0.7, further supporting the strength of the measurement.

Discriminant validity was confirmed using the Fornell-Larcker criterion: the square root of the AVE for Church structures was greater than its correlations with other constructs, indicating that Church structures were empirically distinct from other variables in the model.

Overall, the CFA results provided strong evidence that Church structures measurement model was robust, reliable, and valid, supporting its use in subsequent structural analyses examining the relationship between Church structures and financial performance.

Confirmatory factor analysis

A confirmatory factor analysis (CFA) was performed using JASP 0.17.20 to assess the measurement model for Church structures. The CFA examined the associations between the observed indicators and their respective latent variables. As shown in Figure 4.4, all factor loadings for Church structures indicators were above 0.3, with most items demonstrating moderate loadings (between 0.519 and 0.78).

These results suggest that the measurement model for Church structures is well-specified, with each indicator meaningfully contributing to the latent construct. The absence of any weak loadings (below 0.3) for Church structures further supports the adequacy of the model. Overall, the CFA findings confirm that Church structures construct is reliably and validly measured, providing a solid foundation for subsequent structural analyses in the study.

Plots

Model plot

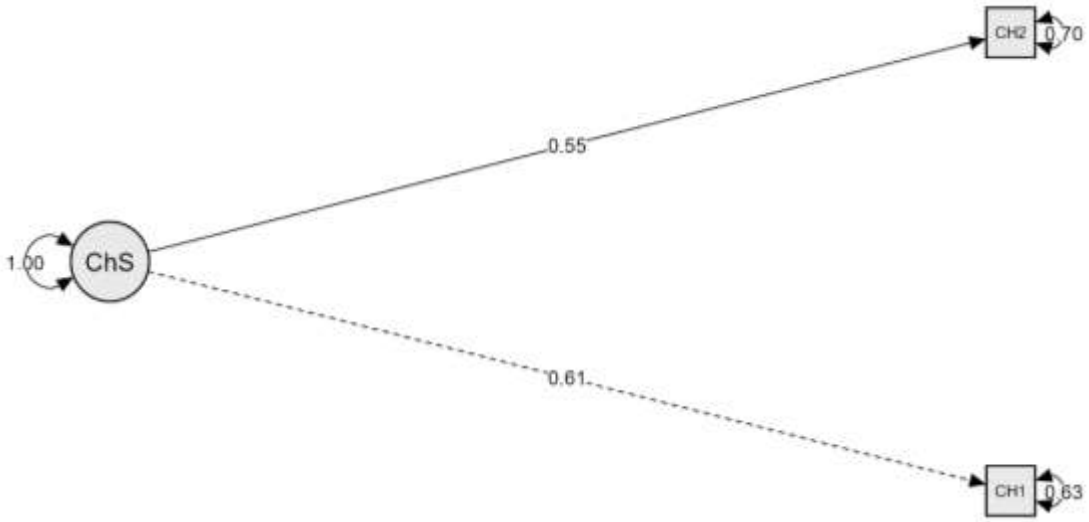

Figure 4.2:- Measurement model for Church structures (ChS).

Figure 4.2 shows that there is a moderate relationship between lantent construct ChS (Church structures) and the observed variables CH1, and CH2, since their path coefficients 0.56, and 0.61 respectively are greater than 0.3.

Model Fit Results

		Fit indices		
Factor	**CFI**	**TLI**	**RMSEA**	**SRMR**
Church structures	1.000	1.000	0.000	0.01E_09

The measurement model for Church structures was evaluated using several fit indices within the structural equation modeling (SEM) framework. The results demonstrated an excellent model fit. Specifically, the Comparative Fit Index (CFI) was 1.000, the Tucker-Lewis Index (TLI) was 1.029, the Root Mean Square Error of Approximation (RMSEA) was 0.000, and the Standardized Root Mean Square Residual (SRMR) was 0.005. All these values exceed the recommended thresholds for a good fit (CFI and TLI > 0.90, RMSEA < 0.08, SRMR < 0.08), indicating that the measurement model for Church structures is highly suitable for further structural analysis.

These strong fit indices confirm that the hypothesized measurement model for Church structures provides an accurate and robust representation of the observed data. This robust model fit supports the validity of subsequent analyses examining the relationships between church structures and financial performance in Church of Uganda-founded private secondary schools.

Relationship between Church structuresand Financial Performance

The structural equation modeling (SEM) results indicated that Church structures had a positiverelationship with financial performance among Church of Uganda-founded private secondary schools in the Greater Ankole dioceses. The standardized path coefficient for Church structures was 0.115 ($p = 0.82$), demonstrating a statistically significant effect. This led to the rejection the null hypothesis (H02), which stated that "there is no effect of Church structures on financial performance."

Discussion:-

Quantitative Findings in Relation to Literature

The quantitative analysis revealed a statistically significant association between Church structures and financial performance in Church of Uganda-founded private secondary schools. This aligns with the **Resource-Based View (RBV)**, which posits that organizations achieve competitive advantage through the effective management of their unique resources (Barney, 1991). In this context, church structures is a critical intangible resource that shapes how other resources are deployed and utilized. The finding that church policies have the strongest effect supports the RBV argument that inclusive decision-making can optimize resource allocation and enhance stakeholder engagement, leading to improved financial outcomes (Comninos, 2021; Mwebesa&Namagembe, 2021).

Furthermore, the positive association between church structures and financial performance is consistent with the Systems Management Theory, which emphasizes the interconnectedness of organizational components (Kast &Rosenzweig, 1972). By empowering staff and decentralizing authority, church policies and hierarchy can enhance efficiency, build capacity, and promote professional development, thereby improving the overall functioning of the school system and its financial performance (Harris, 2013; Spillane, 2006).

The finding that Church structures also contribute positively, albeit to a lesser extent, suggests that a balanced approach is necessary. This aligns with the Incremental Budgeting Theory**,** which focuses on how financial decisions are made within organizations (Wildavsky, 1964). In resource-constrained environments, church policies as one of the constructs of church structures may be essential for ensuring compliance with financial regulations and maintaining budgetary control, while Church hierarchy can foster innovation and stakeholder buy-in (Leithwood&Jantzi, 2005; Tumwine, 2022).

The robust measurement model, confirmed through EFA and CFA, and the excellent model fit indices (CFI = 1.000, TLI = 1.000, RMSEA = 0.000), provide confidence in the validity of these findings, reinforcing the theoretical underpinnings of the study.

Qualitative Insights and Thematic Integration with Theoretical Lenses

The qualitative interviews provided nuanced perspectives that complement the quantitative results and further illuminate the theoretical frameworks. School leaders and administrators described how Church structures fostered a sense of ownership and collective responsibility, which was critical for mobilizing resources and navigating financial challenges. This aligns with the RBV, as it demonstrates how effective church policies can leverage intangible resources such as stakeholder commitment to achieve superior financial outcomes (Somech, 2010; Bush & Glover, 2014).

Church hierarchy was frequently cited as a mechanism for building staff capacity and ensuring continuity in financial management, especially in schools facing frequent leadership transitions. This supports the Systems Management Theory, as it highlights the importance of distributed leadership in enhancing organizational adaptability and resilience (Harris, 2013; Spillane, 2006). Respondents emphasized the importance of clear communication and well-defined policies to prevent confusion and maintain accountability, reinforcing the need for effective coordination across subsystems.

Church structures, while sometimes viewed as restrictive, was acknowledged as necessary in situations requiring rapid decision-making or strict adherence to financial policies. This aligns with the Incremental Budgeting Theory, as it demonstrates how centralized control can ensure compliance with financial regulations and maintain budgetary control, particularly in resource-constrained environments to which these schools in question fall. (Leithwood&Jantzi, 2005; Tumwine, 2022).

Overall, the qualitative data underscored the contextual realities of faith-based schools, including resource constraints, community expectations, and the influence of church authorities. Leaders who successfully navigated these complexities tended to blend multiple church policies, adapting their approach to the specific needs and challenges of their schools, thereby optimizing resource allocation and enhancing financial performance.

Implications in Relation to Literature and Theoretical Frameworks

The findings of this study have several important implications for theory, policy, and practice, and are closely aligned with and extend the existing literature.

Theoretical Implications:

The results reinforce the relevance of the Resource-Based View (Barney, 1991), Incremental Budgeting (Wildavsky, 1964), and Systems Management theories (Kast &Rosenzweig, 1972) in understanding the dynamics between church structures and financial performance in educational settings. Consistent with Barney (1991) and Leithwood et al. (2007), this study demonstrates that church structures are a critical intangible resource that can drive financial sustainability, even in resource-limited contexts.

Policy Implications:

For policymakers and church authorities, these results highlight the need to clearly put church structuresthrough the development programs that foster all round policies. This recommendation is supported by Bush and Glover (2014), who emphasize the importance of contextually appropriate clear policies in schools. The study's finding that church structures do significantly moderate the leadership–performance relationship suggests that school-level leadership autonomy is crucial, a point also noted by Kazimba-Mugalu (2024) in the context of Church of Uganda-founded private secondary schools in Uganda.

Practical Implications:

Practically, the results suggest that Church of Uganda-founded private secondary schools can enhance their financial performance by promoting inclusive church policies, empowering staff, and maintaining clear lines of accountability. This is in line with the work of Somech (2010) and Spillane (2006), who found that participative and clear church hierarchy are associated with improved school outcomes and financial management. The lack of a significant moderating effect from church structures indicates that, as noted by Nguyen and Rieger (2020), school-level policies have substantial autonomy to influence financial outcomes, provided that institutional frameworks are supportive rather than restrictive.

Contribution to Literature:-

Finally, this study contributes to the broader literature by providing empirical evidence from a unique context—Church of Uganda-founded private secondary schools in Uganda—thus addressing a notable gap in research on educational policies in sub-Saharan Africa (Mwebesa&Namagembe, 2021; Nakabuye, 2020). The findings reinforce the theoretical underpinnings of the study and provide actionable insights for policymakers, school managers, and church authorities seeking to enhance policy formulation and implementation procedures and financial performance.

Conclusion and Recommendations:-

This study provides robust empirical evidence on the pivotal role of Church structures in shaping the financial performance of Church of Uganda-founded private secondary schools in Uganda. By employing a convergent mixed-methods approach and grounding the analysis in Resource-Based View, Incremental Budgeting, and Systems Management theories, the research demonstrates that Church policies and church hierarchy each contribute positively to financial outcomes. The integration of quantitative and qualitative findings highlight the importance of adaptive and contextually responsive leadership, particularly in resource-constrained environments where effective mobilization and management of both tangible and intangible resources are critical for institutional sustainability.

The implications of these findings extend beyond the immediate context, offering valuable insights for educational policymakers, school managers, and church authorities seeking to enhance financial sustainability and organizational effectiveness. The study not only fills a significant gap in the literature on educational policy making in sub-Saharan Africa but also highlights the need for clear organizational structure and other development initiatives that prioritize inclusivity, empowerment, and strategic resource management. Future research should further explore the interplay between governance structures, and financial performance across diverse educational

settings, thereby enriching the theoretical and practical understanding of church structures impact on school sustainability and performance.

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