East African Journal of Social and Applied Sciences (EAJ-SAS)
Vol.2, No.2 Publication Date: October 20, 2020
ISSN: (Online) 2714-2051, (Print) 0856-9681
The current issue and full text archive of this journal is available at: http//www.mocu.ac.tz

Cite this article as: Temba, B., Kaleshu, J. & Machimu, G. (2020). Performance attributes of church and non-church businesses: comparative study of Kilacha and Kibo poultry Moshi, Tanzania , *East African Journal of Social and Applied Sciences,* 2(2), 272- 282.

PERFORMANCE ATTRIBUTES OF CHURCH AND NON-CHURCH BUSINESSES: COMPARATIVE STUDY OF KILACHA AND KIBO POULTRY MOSHI, TANZANIA

Bernadette Temba
Department of Business Administration
Mwenge Catholic University- Tanzania
Email: bernatemba@yahoo.com

Jones Kaleshu
Department of Banking and Finance,
Moshi Co-operative University - Tanzania
E-mail: jkaleshu@gmail.com

Gervas M. Machimu
Department of Community and Rural Development,
Moshi Co-operative University - Tanzania
E-mail: gmthe38@gmail.com

ABSTRACT
In this paper, Church and non-Church businesses are economic activities that contribute to the country's social and economic development whereby participants are involved in activities with the intention of generating income for self-reliance. The study was conducted in two poultry farms located in Moshi municipality and Moshi rural district. Specifically, this paper sought to evaluate the effects of governance, ownership and capital structure on performance of the two cases. Cross sectional research design was employed and 305 respondents were randomly selected. Data collected through questionnaire, interviews and documentary review were analyzed qualitatively through thematic analysis and quantitatively through the use of independent samples t-test and one way ANOVA. Performance of the two businesses was measured by developing performance index. The study found out that governance, capital structure and ownership can affect performance of Church and Non-Church businesses positively or negatively. The study recommends governing boards to develop appropriate governance skills, handle the resources as their own and in their managerial capacity develop and manage capital structure and all financial matters properly.

Key Words: *Church, Non-Church, Governance, Ownership, Capital structure and Performance*
Paper type: *Research paper*
Type of Review: *Peer Review*

1. INTRODUCTION

Performance of a business is important for investors, stakeholders and the economy at large. For Church and Non-Church businesses profit maximization on capital invested is highly valuable. Church and Non-Church businesses share various objectives which will make them attain individual goals of providing employment and discharging responsibility towards society and physical surroundings (Jörg, 2014). In this study, the Church and Non-Church businesses are activities run by the Catholic Church and private entrepreneurs respectively that create employment whereby participants are involved in activities which will raise their standard of living by eliminating dependence on donors. Church and Non-Church businesses have had remarkable benefits to different stakeholders. They have led to improved socio-economic status including education, health facilities and shelter to many people. However, performances of Church and Non-Church businesses in poultry products have had their fair share of challenges. The failure rates of such businesses have been on the rise mostly on Church business. Looking at the financial statements of 2016 and 2017 of Church business there was significant growth. Combined efforts such as increase in capital invested and improved manpower to mitigate these challenges have not yielded substantial benefits. However, empirical studies such as Mawudor (2016), did not examine how governance, capital structure and ownership influence performance of Church and Non-Church businesses which informed the intention of this study.

Globally, business sectors are important due to their significant economic values (Coffey et al., 2013). Church and Non-Church business sectors have contributed a lot to the economic development (Schoonjans et al., 2013), provide employment and encourage community members to rely on their own economic activities (Bowale and IIesanmi, 2014). Church businesses are business activities started by Church to raise income to support missionary activities, specifically, to contribute to the development of educational centres, health facilities and shelter.

In Sub-Saharan Africa, Church and Non- Church businesses have been significant and active contributors to society's welfare since the beginning of 20th century (Shoo 2004). There is no doubt that many have provided distinguished community services, exercised political influence and gained considerable public profile. Mawudor (2016) conducted research on Church income generating projects in Kenya. The study revealed that of the 17 organizations covered, 18% claimed to be fairly sustainable while 82% claimed to be barely surviving or moving towards a crisis of some kind. Shoo (2004), in a study carried in Tanzania argued that, the local communities are rarely consulted in the development planning of church projects and are not given responsibilities in such development activities which in turn has affected the performance of Church businesses.

Studies done in the area of performance are based on corporate governance, leverage, size of the company and corporate social responsibilities of banks and large firms. Performance of Church businesses has been overlooked and Church businesses have not been measured against any other businesses. Thus, it is difficult to know whether the Church's businesses are the same as their counterparts. The Catholic Church entered into business with the aim of becoming self-reliant in undertaking her missionary activities of proving education, health and shelter to the poor. Thus, this study was needed in order to show the necessity of Church's involvement in business and also to inform the public on the differences between the Church and Non-Church businesses. The study findings will enable the Church to improve performance of her businesses and render quality public services. The main objective of this study was to evaluate the attribute of the performance of Church and Non-Church businesses in Tanzania. Specifically the study sought to evaluate the effects of governance, ownership and capital structure on performance of the two business entities, and evaluate the extent to which customer satisfaction, market share and goal attainment affect performance of Church and Non-church businesses in Tanzania.

In order to get a glimpse on the operations and performance of Church and Non-Church businesses, lets' consider some earlier studies. In 2008, Blewitt made a similar study in the Netherlands which showed that 33% of Church businesses were non-functional due to lack of funds and involvement of local members in the decision making of the businesses. In the Tanzanian context, Shoo (2004) argued that the basic fault in the Church business planning lacks support from the grassroots as they are not involved in the development activities initiated by the Church. He argued that this may lead to failure of most Church businesses. The local community over many years did not have ownership of the businesses started and managed by foreign missionaries; this has brought about dependency syndrome on missionaries for donations and leadership (Schwartz, 20015). The initiation of Church businesses, construction of schools, hospitals and church buildings were in most cases undertaken without the contribution of local community (Kalilombe, 2002). The Catholic Church in Tanzania must look for alternative means for financial self-reliance. Church businesses are required to assess their effectiveness in terms of both profit generated and the impact on the social and economic welfare of communities (Bell et al., 2010).

From the literature, different researchers found out other unique attributes that influence performance of Church and Non-Church businesses globally to be the way the investors have organised the operating capital of the business and system of ownership (also referred to as ownership concentration) (Gitman and Zutter, 2012; Blewitt, 2008). Ownership Concentration in this study refers to an ownership fraction that is held by shareholders with the controlling interest (Gitman and Zutter, 2012). The study however did not show the gap between the businesses owned by the Catholic Church and those owned by the shareholders and private entrepreneurs.

Ndiege and Kazungu (2020), carried out a study on Capital structure and performance of savings and credit co-operative societies in Tanzania. The findings revealed increase in the net loan, liquid investment and members' savings and that institutional capital increases the profitability of SACCOS. In another case, Dare and Sola (2010) argued that capital structure can take any of the following three alternatives: 100% equity: 0% debt, 0% equity: 100% debt or X% equity: Y% debt. A shareholder who both has control and profit responsibility has incentives to maximize the value creation related to the resource. Business owners have incentives for weighing costs against benefits for a project. The phenomenon has been empirically tested on various occasions that internal ownership results in long-term firm performance (Reddy, 2010). Strong and institutional ownerships lead to better control and monitoring of the board of directors and somehow force them to undertake profitable projects to ensure future earnings. These studies however, also did not show the relationship between Church ownership and capital structure and how it affects performance.

The study carried out by Shadrack and Warsanga (2020) on Women Managed Micro-Enterprises and Households' Welfare in Mirerani mining township, Tanzania, indicated that out of 100 surveyed women micro-entrepreneurs, shortage of start-up and capital for expansion of the business are the main challenges and was reported by 63 (25.2%) of the respondents. Salim and Yadav (2012) provided evidence for a negative relationship between capital structure and firm performance for Malaysian listed enterprises from 1995 to 2011. Borgia and Newman (2012) argued that successful performance is not only influenced by firm level characteristics such as firm asset structure and profitability; rather it is also influenced by governance and human capital. Several studies reviewed have debated on the influence of governance, ownership, and capital structure on the performance of the business but they have not made a comparative study on Church and non-Church businesses (Cheng 2008; Salim and Yadav 2012; Aljifri and Moustafa 2007). All the reviewed studies were based on the governance, capital structure and ownership and their effects on performance of the firms but did not include businesses owned by the Catholic Church and the differences between Church owned projects and those owned by the private entrepreneurs. This study will fill the gaps by comparing the governance, capital structure and ownership of Church and non-Church businesses in Tanzania.

2. THEORETICAL REVIEW

This study was guided by agency theory. The choice of the theory was guided by the nature of the objectives which call for theoretical guidance on the concepts of governance, ownership structure, capital structure and performance of the business. The Agency Theory is one of the best theories used in management and performance measurement of a business (Wasserman, 2006). It has been used to examine agency relationships. Agency theory was applied in this study to find out the relationship between owners and managers and how this relationship affects decision making. This has been reflected by Jensen and Meckling (1976), who predicted that higher levels of managerial ownership structure increase firm performance due to an incentive effect. Shareholders need to be protected from management's self-interest by applying agency theory which will bring about sufficient control mechanism. In Church businesses, the 'principal' is the Church and in Non-Church the "principal" are shareholders/owners. Managers of Church and No-Church enterprises have been delegated the power to make decisions and to supervise the properties of the business on behalf of their owners. On the other hand, a Church business manager is appointed by the Church to manage the project on their behalf. This suggests that in both cases managers are not expected to behave in a self-interest behaviour that may conflict with the principal's interest (Wasserman, 2006).

3. METHODOLOGY

3.1 Rationale of the Study Area

This study was conducted at Kilacha production located along the Himo – Mombasa road in Moshi rural district and Kibo Poultry Products Ltd in shanti town, Moshi municipality in Kilimanjaro region. The selection of both Moshi and the Catholic Diocese was based on several reasons including but not limited to the fact that Moshi Diocese manages businesses in poultry and animal husbandry which could be used as comparison yardsticks in the study. Furthermore, the study concentrated on poultry products due to the fact that businesses undertaken by Church and Non-church are homogenous and thus easy to make comparison in terms of performance.

3.2 Research Design

The study employed a cross-sectional research design. This design was preferred because data for the study was collected once and it was possible to determine the relationship between the variables (Bryman and Bell, 2011).

Cross-sectional design was preferred as it supported a variety of analytical techniques including quantitative and qualitative analyses. The unity of analysis in this study was Church and Non-Church businesses. Church businesses included Kilacha production, Kilacha Agriculture College (Poultry Unit), Matala (sisters' poultry) and Makuyuni (Brothers' poultry); Non-Church business included shanti town, Malula and Mawingo farms.

3.3 Sampling

Yamane, (1967) cited by Israel (2013) formula for calculating sample size was used. Purposive sampling technique was applied to get the key informants who were better informed about or experienced with Church and Non-Church businesses. Thus, the managers, accountants, administrators and ward executive officers were purposively selected because they had better knowledge on the projects. The study involved twelve (12) key informant interviews selected purposively from each project. Simple random technique was used to select the respondents from administration section, accounts section and production section; whereby their names were obtained from the office registers and thereafter written on papers, placed into a box and a lottery technique was used to pick the names of potential respondents.

3.4 Validity and reliability

In order to ensure validity multifaceted techniques that significantly reduced the bias in data collection, analysis and reporting was used. Different methods of data collection including, questionnaire, key informants interview guide and documentary review were used to avoid biasness (Creswell and Miller, 2000). Table 1 considered the Cronbach's Alpha for the number of items (questions asked) and the scale statistics.

Table 1: Cronbach's Alpha Reliability test and Scale statistics

Reliability Statistics		Scale statistics	
Cronbach's Alpha	**N of Items**	**Mean**	**Standard deviation**
0.712	37	150.67	10.33

From Table1 the computed Cronbach's Alpha reliability coefficient from Likert scale was 0.712, in approximation alpha considered to be adequately. This means that the item is reliable and more likely to measure the same construct. Therefore, the reliability of instruments results is acceptable since it is above 0.5 (Best and Kahn, 2006).

3.5 Instruments and Data Collection

The instruments of data collection were questionnaire, documentary review, and key informants interview guide. Before data collection, a pilot study was carried out to taste their validity. Lottery technique of simple random sampling was used to select 10 respondents from each business, making a total of 20 from the sampling frame of 305 beneficiaries. All the selected beneficiaries were listed and assigned numbers 0 and 1. Each of the corresponding numbers was listed on pieces paper of different colours and a raffle was played. Then 20 pieces of paper were randomly picked, the corresponding names and numbers of those who wrote 1 became the sample population for pilot the study. The 20 respondents used for pilot study were not involved in the study again. The findings helped in identifying problems and correcting the questionnaires before the actual data collection.

3.6 Data Analysis

Data analysis involved skimming, reading thoroughly and giving interpretation of different documents that were reviewed. Qualitative data were summarised based on their themes and the arguments were compared with and contrasted as obtained from interviews. This approach confirmed the use of the methodological triangulation. This included transcribing the data, familiarizing, assigning coding, searching for patterns and in order to achieve a clear report different themes were reviewed.

3.7 Measurement of independent variables

Performance of the two projects was measured by developing performance index. The indicators used to measure performance were project goal attainment, customer satisfaction, customer loyalty and market share. These were assigned weights of low, moderate and high performance. The indicators were standardised using the formula adopted from Hahn et al. (2009), whereby low, moderate and high performance were derived from each business in the same proximity.

$$Index_{Sr} = \frac{S_r - S_{min}}{S_{max} - S_{min}} \quad \text{.......(1)}$$

Where,

S_r = Performance indicators

S_{min} = Minimum values

S_{max} = Maximum values

Each performance indicator was standardised and performance indices for each project constructed.

The independent samples t-test was used to measure performance variables in order to compare the mean scores of the two types of projects, that is, Church and Non-Church businesses. The independent-samples t-test was preferred for this study because it is statistically more robust in comparing means between two independent samples. The independent-samples t-test compares the means between two unrelated groups on the same continuous dependent variable. That is, we evaluate whether the means for two independent groups are significantly different from each other. T-test was used to test the following hypothesis: there is no significant difference in performance between Church and non-Church businesses.

3.8 Assumptions underlying the Independent-Samples t test

i) The data (scores) are independent of each other (that is, scores of one participant are not systematically related to scores of the other participants).

ii) The test (dependent) variable is normally distributed within each of the two populations

iii) The variances of the test (dependent) variable in the two populations are equal.

3.9 Normal distribution

The study considered that the populations from which the sample was taken are normally distributed by calculating the Total Performance Index Score and made the decision using Shapiro-Wilk when $p>0.05$. The graphical presentation of histogram is as shown on the figure.

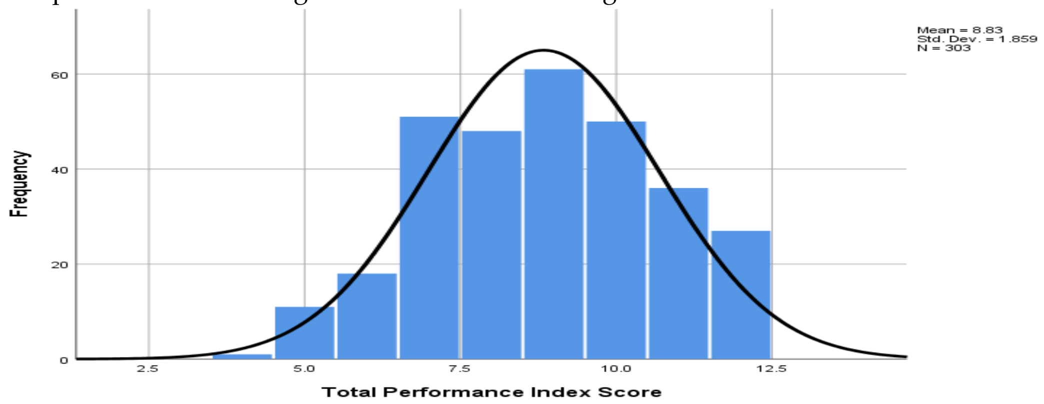

Figure1: Performance index score

The mean and standard deviation determined combination of a theoretical normal distribution, but almost the data shows normal distribution that lead to the decision of using independent sample t test. A histogram is a plot that lets the researcher discovers, and shows, the underlying frequency distribution (shape) of a set of continuous data (Performance index total). This allowed the inspection of the data for its underlying distribution (e.g., normal distribution, outliers, skewness). Normally distributed data fall along the line of the Q-Q plot.

Figure2: Observed value

3.10 Independent observation

The observations that make up the data for high project performance and low performance were considered to be self-determining. So that the finding obtained from one category must not be influenced by another response category.

3.11 Homogeneity of variance

To test this, assumption, the study considered the Levene test for equality of variances as part of the t-test and analysis of variances when $p>0.05$, there is equal variance assumed (The first row table of independent t test analysis, and when $p<0.05$ assumed no equal variance then considered the second row of independent t test results.

3.12 ANOVA on Performance Index Score for the two businesses

Apart from Independent Samples Test for Total Performance, the study analysed ANOVA to test the causal-effects of differences between groups on Church and Non-Church performance since we had three levels in each group. One-way ANOVA with post-hoc tests was conducted to test if there is any difference for three group performance indexes on business type.

4. FINDINGS AND DISCUSSIONS

4.1. Documentary analysis

Documents such as financial statements and financial regulations of the projects, strategic plans, advertisements, manuals and brochures were studied to obtain better understanding of the studied businesses. The analytic procedure entailed finding, selecting, appraising and synthesizing data contained in these documents which were then organized into major attributes as shown on Table 2.

Table 2: Findings on the attributes of Church and Non-Church businesses

S/N	Attributes	Church	Non Church
1.	System of ownership	Catholic Diocese of Moshi	Shareholders
2.	Capital structure	Donations and Church contributions	Shareholders contributions and borrowing
3.	Board size	Board (10)	Shareholders (8)
4.	Appointing authority of the board	Appointed by Bishop	Owner with the majority share
5.	Benefits/dividends	Public	Shareholder
6.	Reporting	End year results ‘surplus’ or ‘deficit’ to the board	End year results ‘profit’ or ‘loss’ to shareholders

The study found out that each project has a well - defined vision and mission. From the interview carried out with the key informants and from the documents reviewed, it was revealed that Church’s’ board is made up of ten (10) members and Kibo Poultry has eight (8) members. Dozie (2003) argues that a smaller board may be less encumbered with bureaucratic problems, more functional and more able to provide better financial reporting oversight. The key informants and the documents reviewed from Kibo Poultry informed the study that the project has 8 board members who foresee all the activities of the project, Kibo Poultry specifies the number of members of the board and how they are to be appointed and how often they meet. The documents reviewed were confirmed by one of the key informants from Kibo Poultry who informed the researchers that:

> *“We have eight (8) board members, the board meets quarterly and the main issues discussed here is the management report of that particular quarter and the financial report is presented by the accountant who is also the member of the board. The previous month’s financial results are normally reviewed against the budget or forecasts and identification of actions needed in the next period is done. This is facilitated by the financial controls set by the management. These tools allow the board to plan and make projections for the future business….”* (Interview, Kibo Poultry-Shanti Town).

The study was informed through documentary reviews and the key informant from Church business that the board meets once per year to discuss the audited report and management report but they have appointed some members from the board to form a task force that meets every month. Their role is monitoring and evaluation of the performance of the project and gives the way forward for the next month:

> *"…The task force meets every month and a simple agenda for monthly task force meeting is as follows: Review of profit or loss for the month, sales and marketing review, actions for next month to increase production, identify if and when further hires or changes are needed and finally set targets for the next month and the date for the next board meeting…"* (Interview, Church businesses).

From the interview, the agency problem may not easily occur as the task force who are also members of the board meet monthly to evaluate the performance of the agent. From the key informants, the researchers learned that Church business management is affected by the nature of governance structure which delays decision and affects performance.

> *"…The manager cannot take any decision concerning buying new assets or making expenditure of more than five (5) million Tanzanian shillings without the permission of the bishop or diocesan financial administrator..." (Interview, Church business).*

4.2 Ownership of Church and Non-Church businesses

Respondents of the two businesses under study had little sense of ownership of their business. They gave the impression that the businesses are owned by the Church and Non-Church and they felt that they are not given enough incentives to work. From both the Church business project 39% and the private Kibo Poultry 36% strongly agree that the form of ownership has affected the growth of the enterprises.

4.3 Findings on Capital structure

The findings revealed that the form of ownership has influenced capital structure of the two businesses. 40% of the respondents from Kibo poultry agreed and 42% of the respondents from Church businesses strongly agreed that capital structure is affected by the type of ownership. This implies that capital structure of Church businesses is quite different from that of their counterparts as they depend mostly on donations and tithes. Eelier researchers for instance Cassar (2004); Low and Mazzarol (2006), found that characteristics of the owner influence the capital structure of the firm. The findings also show that 49% respondents from Kibo poultry and 48.7% from Church business strongly agreed that managerial strategy affects capital structure. Likewise 40% and 72% of the respondents strongly agreed that managers tend to allocate funds to their private benefits. This is in line with Jensen and Meckling (1976), who assert that agency costs rise due to a conflict of interest between equity-holders and managers. This implies that managers can have their own interest in maximizing their profits rather than those of the owner.

4.4 Effects of customer satisfaction, market share and goal attainment on the performance of Church and Non-church businesses

Pooled Performance Index was computed to measure the performance parameters in general for both businesses. The indicators used to develop performance index were; business goals attainment, Customer Satisfaction, status of market share and loyalty.

Table 3: Pooled Performance Index (n = 303)

Performance Parameters	Frequency	Percent
Low Performance	125	41.3
Moderate Performance	38	12.5
High Performance	140	46.2
Total	303	100

From Table 3, the results of the performance index indicated that there is a high performance of 46.2% in these businesses, Low Performance of 41.3% and moderate performance of 12.5%. This suggests that there is a need to consider the performance in each project whether it is low or high.

Table 4: Project Type Performance Index

Performance Parameters		N	%	V(%)	C(%)
Non Church	Low Performance	74	49	49	49
	Moderate Performance	21	13.9	13.9	62.9
	High Performance	56	37.1	37.1	100
	Total	**151**	**100**	**100**	
Church	Low Performance	51	33.6	33.6	33.6
	Moderate Performance	17	11.2	11.2	44.7
	High Performance	84	55.3	55.3	100
	Total	**152**	**100**	**100**	

C(%)=Cumulative Percent, N=Frequency, %=Percent, v(%)=Valid Percent

From Table 4, Non-Church business with a sample of 151 participants showed 49% as low performance, 13.9% moderate and 37.1% as high performance. The Church business reported 55.3% of high performance, 33.6% low and 11.2% moderate performance.

Table 5: Performance Index of Church and Non-Church Businesses

Parameters	Pooled Data (n=303)		Church IGP(n=152)		Non-Church (n=151)	
	Frequency	Percent	Frequency	Percent	Frequency	Percent
Low Performance	125	41.3	51	33.6	74	49.0
Moderate Performance	38	12.5	17	11.2	21	13.9
High Performance	140	46.2	84	55.3	56	37.1

Table 5 results indicate the Performance Index of the sample of 303 whereby high performance was 46.2%, 41.3% low performance and 12.5% moderate performance. In the current study, this implies that business goal attainment, customer satisfaction, loyalty and status of market share can affect performance of the business to a certain extent. Earlier studies reveal that customer loyalty and satisfaction has a positive effect on the performance of the company (Rosenberg *et al.*, 2017).

Table 6: Total Performance Index Score

Business type	N	Mean	Std. Deviation	Std. Error Mean
Church	152	12.5461	2.23707	0.18145
Non Church	151	11.6225	2.46777	0.20082

Table 7: Independent Samples Test for Total Performance Index Score

	Levine's Test for Equality of Variances		t-test for Equality of Means						
	F	Sig.	T	Df	Sig. (2-tailed)	Mean Difference	S.E	95% CI of the Difference	
Total Performance Index Score								Lower	Upper
Equal variances assumed	0.754	0.386**	3.413	301	0.001*	0.92354	0.271	0.39109	1.456
Equal variances not assumed			3.412	297.8	0.001	0.92354	0.271	0.3909	1.456

*S.E=Std. Error Difference, CI=Confidence Interval, *statistically significant ** Equal variances assumed*

From tables 6 and 7, the independent-samples t-test shows that there was significant difference in performance index for church [M=12.5461, SD=2.23707] and for Non-church [M=11.6225, SD=2.46777; t(301)=3.413, ϱ=0.001]. The magnitude of the differences in the means was (eta squared= (0.0373) or 3.7%. This means the difference in both projects performance is absolutely small and statistical significance did not occur by chance. Church businesses seem to perform better than Non-Church; this could be due to task force monthly monitoring and evaluation practiced by the Church business. Customer satisfaction and loyalty has increased market share. Eta square was calculated as 11.648569/(11.648569+ (152 + 151)-2) = 0.0372577077 this effect with a sample of (N=303) is statistically significant.

4.5 ANOVA for Performance Index Score for Business type

Table 8: ANOVA on Performance Index Score for the two businesses

Performance Parameters	Mean ± SD	Lower Bound	Upper Bound
Church			
Low Performance	37.66 ± 2.43	37.03	38.29
Moderate Performance	40.82 ± 0.39	40.64	40.99
High Performance	44.65 ± 2.44	44.07	45.23
Non-Church			
Low Performance	36.53 ± 2.75	35.86	37.21
Moderate Performance	41.25 ± 0.45	41.01	41.49
High Performance	44.45 ± 1.62	44.06	44.84

CI= Confidence Interval for Mean, SD-Standard deviation

The results indicate that there is a difference in mean score performance parameters for both types of projects. The Eta squared was considered to determine the significance effect size. Eta squared = (Sum of squares between-groups)/Total sum of squares. Eta squared for Non-Church = 2121.885/ 2794.397= 0.7593356 approximately to 0.76. Eta squared for Church = 1581.178/ 2345.868 = 0.6740268 approximately to 0.67 consider indicated in Table 8.

Table 9: ANOVA for Performance Index Score for Business type

Business type		Sum of Squares	Df	Mean Square	F	Sig.
Non-church	Between Groups	2121.885	2	1060.943	233.482	0.000
	Within Groups	672.512	148	4.544		
	Total	2794.397	150			
Church	Between Groups	1581.178	2	790.589	154.046	0.000
	Within Groups	764.690	149	5.132		
	Total	2345.868	151			

df=degree of freedom

The Sig. value in Table 9 is <0.001 which indicates a significant difference between the mean scores on dependent variable for the three groups in business types. F ratio was computed to represents the variance between the groups, divided by the variance within the groups. The large F ratio of 233.482 for Non-Church business and F ratio of 154.046 for Church revealed unevenness between the groups.

4.6 Post Hoc Test

Now a one-way between-groups analysis of variance was conducted to explore the impact of business performance, as measured by the groups. There was statistically significant difference level in scores for the groups [F(2, 148)=233.482, p<0.001] for Non-Church business higher compared to Church [F(2,149)=154.046, p<0.001]. This indicates higher difference in performance for Non-Church business. Despite reaching statistical significance, the actual difference in mean scores between the groups was not much large as indicated in Table 8. The effect size, calculated using eta squared, for Non-Church was 0.76 Post-hoc comparisons using the Tukey HSD test indicated significantly different mean score for Non-Church (Table 10) and 0.67 indicated the effect size (eta squared) for Church was significantly different from other groups in table 10.

Table 10: Tukey HSD Multiple Comparisons for Performance Index Score for Business type

Business Type			Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
						Lower Bound	Upper Bound
Church	Low Performance	Moderate Performance	-3.157*	0.566	0.000	-4.50	-1.82
		High Performance	-6.987*	0.399	0.000	-7.93	-6.04
	Moderate Performance	Low Performance	3.157*	0.566	0.000	1.82	4.50
		High Performance	-3.830*	0.553	0.000	-5.14	-2.52
	High Performance	Low Performance	6.987*	0.399	0.000	6.04	7.93
Non-Church	Low Performance	Moderate Performance	-4.720*	0.594	0.000	-6.13	-3.31
		High Performance	-7.919*	0.367	0.000	-8.79	-7.05
	Moderate Performance	Low Performance	4.720*	0.594	0.000	3.31	6.13
		High Performance	-3.199*	0.591	0.000	-4.60	-1.80
	High Performance	Low Performance	7.919*	0.367	0.000	7.05	8.79
		Moderate Performance	3.199*	0.591	0.000	1.80	4.60
		Moderate Performance	3.830*	0.553	0.000	2.52	5.14

5. CONCLUSION AND RECOMMENDATIONS

The main objective of this study was to evaluate the attribute of the performance of Church and Non-Church businesses in Tanzania. The study revealed that governance, capital structure and ownership can affect performance of Church and Non-Church businesses positively or negatively. Furthermore, customer satisfaction, loyalty and status of market share showed positive effect on the performance. The study concluded that for any business to perform well, they must be well organized and governed by management board who have professional knowledge about the business they are running. The findings provided evidence to support agency theory in that the managing director of Church business reports to the Bishop and also receives orders from him which may bring about information asymmetry. The study concluded that businesses without proper governance, clear capital structure and strong ownership will give chance to agency costs to creep in and result to poor performance. The agency problem in this study is referring to the conflict in incentives provided between an agent and a principal. Owners of Church and non-Church businesses are worried that the agent is acting for his own benefits instead of owner's benefits.

The second specific objective was to evaluate the extent to which customer satisfaction, market share and goal attainment affect the performance of Church and Non-church businesses in Tanzania. The independent-samples t-test results revealed that there was significant difference in performance index for Church [$M=12.5461$, $SD=2.23707$] and for Non-Church [$M=11.6225$, $SD=2.46777$; $t(301)=3.413$, $\varrho=0.001$]. This implies that customer satisfaction; market share and goal attainment have affected the performance of Church and Non-Church businesses positively. In order to maintain good performance the study recommends the governing board to develop appropriate governance skills, handle the resources as their own and in their managerial capacity develop and manage capital structure and all financial matters properly. The study recommend the two businesses to achieve their mission and vision by maintaining their goal attainment, customer satisfaction and market share in competing with other producers in the market. The study revealed that there is significant difference between the performance of Church and Non-Church businesses. Church performed better due to monthly meetings of monitoring and evaluation. High ethical values of transparency and accountability also contributed to high performance. Non-Church businesses are recommended to have several monitoring and evaluation meetings and to apply high ethical values in running their business.

REFERENCES

Aljifri, K. & Moustafa, M. (2007). The Impact of Corporate Governance Mechanisms on the Performance of UAE Firms*: An Empirical Analysis. Journal of Economic and Administrative Sciences*, 23 (2): 71-93.

Bell, J., Masaoka, J., & Zimmerman, S. (2010). *Nonprofit sustainability: Making strategic decisions for financial viability*. John Wiley and Sons. 66pp.

Best, J. W., & Kahn, J. V. (2006). Research in education, 10th. *New Delhi: PHI Learning Private Ltd*. 10-12

Blewitt, J. (2008). *Understanding Sustainable Development*. Earthscan Ltd, London. 288pp

Bryman & Bell, E. (2011). *Business Research Methods 3rd Ed. Oxford University Press Inc*., New York. 765pp.

Bowale, K. E., & IIesanmi, A, O. (2014). Determinants of factors influencing capacity of small and medium enterprises (SMEs) in employment creation in Lagos State, Nigeria. *International Journal of Financial Research, 5*(2): 133-141.

Borgia, D., & Newman, A. (2012). The influence of managerial factors on the capital structure of small and medium-sized enterprises in emerging economies: Evidence from China. *Journal of Chinese Entrepreneurship*, 4(3): 180-205.

Cassar, G. (2004). The financing of business start-ups. *Journal of Business Venturing*, 19(2): 261-283.

Coffey, P., Tate, M., & Toland, J. (2013). Small business in a small country: attitudes to "Green" IT. *Information Systems Frontiers*, *15*(5): 761-778.

Creswell, J. W. & Miller, D. L. (2000). Determining validity in qualitative inquiry. *Theory into Practice,* 39(3): 124-131.

Dare, F.D., & Sola, O. (2010). Capital Structure and Corporate Performance in Nigeria Petroleum Industry: Panel Data Analysis. *Journal of Mathematics and Statistics 6*(2): 168-173.

Gitman, L. J., & Zutter, C. J. (2012). *Principles of managerial finance*, 13th Edition. Prentice Hall. 90pp.

Hahn, M. B., Riederer, A. M., & Foster, S. O. (2009). The Livelihood Vulnerability Index: A pragmaticapproach to assessing risks from climate variability and change—A case study in Mozambique. *Global Environmental Change*, *19*(1): 74-88.

Israel, D.G. (2013). *Determining Sample Size.* University of Florida, IFAS Extension PEOD6, 5pp.

Jensen, M. C., & Meckling, W. H. (1976). Theory of the firm: Managerial behaviour, agency costs and ownership structure. *Journal of financial economics*, *3*(4): 305-360.

Jörg, B. (2014). *Improving Sustainable performance of SMEs*. The dynamic interplay of Morality and Management Systems, Geneva: Globethics.Net Thesis No. 9 ISBN 978-2-88931-015-9.

Kalilombe, P.A. (2002). *A call to Self-Reliance of the Church in Africa*, Africa Ecclesial Review, 44: 1-16.

Low, C., & Mazzarol, T. (2006). *Owner-managers' preferences for financing*: A study of Singaporean SME. In *ICSB, World Conference 2006*.

Mawudor, B. G. (2016). *Financial sustainability of church related organizations:* an empirical study on Kenya. Globethics. Net,18 and 122pp.

Ndiege, O. B. & Kazungu, I. (2020). Capital Structure and Performance of Savings and Credit Co-operative Societies in Tanzania, *East African Journal of Social and Applied Sciences,* 2(1): 38-48.

Reddy, K. (2010). The relationship between corporate governance practices and financial performance in New Zealand: An empirical investigation. The University of Waikato.

Rosenberg, J.L. & Czepiel, A.J. 2017. A marketing approach customer retention *Journal of Consumer Marketing, 21: 39-53*

Salim, M., & Yadav, R. (2012). Capital structure and firm performance: Evidence from Malaysian listed companies. *Procedia-Social and Behavioral Sciences*, *65:* 156-166.

Schoonjans, B., Cauwenberge, P., & Bauwhede, H. (2013). Formal business networking and SME growth. *Small Business Economics*, *41*: 169-181.

Shadrack, E. & Warsanga, W. B. (2020). Women managed Micro-Enterprises and households' welfare in Mirerani mining township, Tanzania, *East African Journal of Social and Applied Sciences,* 2(1): 89-99.

Shoo, I. F. (2004). *Challenges of development: A theoretical and conceptual overview*. Tanzania Journal of Development Studies 5 (3):79-80.

Wasserman, N. (2006). Stewards, Agents, and the Founder Discount: Executive Compensation in New Ventures. *Academy of Management Journal,* 49(5):960-976.