AN ASSESSMENT OF FACTORS AFFECTING SUSTAINABILITY OF
INCOME GENERATING ACTIVITIES UNDERTAKEN BY CHURCHES:

CASE STUDY DAGORETTI, NAIROBI

BY
ROSELYN HAZEL KIRIUNGI
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DECLARATION

This project is my original work. The project is not similar to work that has previously been submitted to any university for academic fulfilment.

Sign KIRIUNGI ROSELYN HAZEL 158/6560/2003

Date 30 August 2005

This project has been submitted for examination with our approval as university supervisors.

Sign LUCY KAVINDA
LECTURER
DEPARTMENT OF BUSINESS ADMINISTRATION
KENYATTA UNIVERSITY

Date 30/08/05

Sign DR GEORGE GONGERA
CHAIRMAN
DEPARTMENT OF BUSINESS ADMINISTRATION
KENYATTA UNIVERSITY

Date 21/10/05
DEDICATION

I dedicate this work to my husband and children. I thank God for each one of you and appreciate all your patience and kindness to me during my entire course.

Geoffrey, you encouraged and supported me 100%. Jewel, Joy, Joshua, Julie and Jesse, you are my inspiration and I love you all.
ACKNOWLEDGEMENTS

I would like to acknowledge my supervisor, Lucy Kavinda and all the academic and administrative staff of School of Business Administration for their guidance and cooperation during the whole course.

I am grateful to the encouragement of my late father, Clement Litunda, who urged me to take up this course and to always aim higher.

I appreciate the cooperation I got from the church leaders during the gathering of the information on income generating activities of their churches.

My special appreciation is to God who stood by me and gave me the Grace to do all that was expected of me. You are a true Friend.
ABSTRACT

Due to the increasing pressure for employment, more and more Kenyans are turning to the informal sector for job creation. Every country requires a strategic approach to developing its entrepreneurs and enterprises so as to harness the tremendous amount of human resource capabilities that exist, especially among women, youth and other special groups. Such a strategy can create many businesses and employment opportunities – including self-employment – leading to improved standards of living, poverty alleviation and sustainable livelihoods.

Understanding who entrepreneurs are, what they do and the factors that affect their sustainability provides an essential starting point for consideration of policies and strategies to improve the delivery of training and business services to the entrepreneurs (Mullei & Bokea, 1999). The purpose of this study was to assess the factors affecting sustainability of income-generating activities undertaken by a special group – churches in Kenya.

Survey Research design was used to derive descriptive data from a population of 129 churches (appendix 6) registered in Dagoretti, Nairobi (FTT, 2004). Purposive sampling method was used to derive the sample of 30 churches that have income generating activities (appendix 7). The independent variables in the study were the factors affecting sustainability of these income -generating activities. These were
limited by time to: Leadership, Finance and Social demographic factors. The dependent variable is sustainability.

Data was analysed using both qualitative and quantitative techniques. This was done descriptively by content and frequency of concurrence and tabulated using percentages. The results of the study show the factors affecting sustainability of income generating activities by churches in Dagoretti. It is hoped that the conclusions and recommendations provided at the end of the project will give guidance to this special group of enterprises in Kenya and enhance their life cycle.
DEFINITION OF TERMS

Church – in this study, the term church is used interchangeably with denominations to refer to a registered organisation of Christians that recognizes a central leadership structure and has similar beliefs and practices. The organisation may have branches in different geographical areas and which may be referred to differently depending on the denomination.

Church leaders – In this study, church leaders refer to Christians who are pastors, bishops, moderators, general superintendents and general overseers of their denominations

Christian communities – any group of Christians juridically established in the church, such as religious congregations, orders, parishes, dioceses, episcopal conferences and the like

Income generating activities – income supplementing activities undertaken and operated, usually with a survival objective

Leadership – a process involving different types of skills and talents emerging as a collective enterprise (Neisser et al, 1996)
Medium enterprises – these have 51 – 100 employees, are generally well-established formal sector businesses with good networks both locally and overseas

Micro-enterprises – these employ 5 people or less and typically consist of self-employment or family enterprises in trading, small scale services or production

Pentecostal churches – “they are those churches which break from or modify certain forms of the dominant types but maintain basic orthodox beliefs of historical Christianity, for example, Pentecostal Assemblies of God, Churches of God, Churches of Christ, Bible Believers, Deliverance, Redeemed Gospel, Full Gospel or Holiness Churches” (Waruta, 1990)

Small enterprises – existing formal sector businesses with 11 – 50 workers or employees

Sustainability – the ability to continue for a long time
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<td>IGA</td>
<td>Income Generating Activity</td>
</tr>
<tr>
<td>SSE</td>
<td>Small scale enterprises</td>
</tr>
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<td>MSE</td>
<td>Medium scale enterprises</td>
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CHAPTER ONE

1.0 INTRODUCTION

1.1 Background of the Study

The Government of Kenya faces a major challenge to promote and stimulate private sector investment so as to generate job opportunities for the alarmingly large numbers of school leavers entering the market each year and for those who are already unemployed. The Eighth National Development Plan adopts four main strategies that the Government will adopt to maximise employment creation:

- Encourage savings and investment in income generating activities
- Encourage labour intensive forms of production
- Reduce discrimination against female employees
- Limits of the Government as employer

(GOK, 1998)

Incentives for stimulating entrepreneurship, micro and small-scale development programmes which are meant to contribute to the economy, employment creation and introduction of new products and services should be implemented. All business units, whether large or small, modern or traditional, can provide a valuable contribution to the national economy. Policy makers and development planners need to take an unbiased approach towards small members of the business community. (Nelson, 1987)
The evolution and historical circumstances responsible for the emergence of the informal sector in Kenya can be traced back to the early 1960s. This is when the newly independent government introduced trade licences, work permits and state-owned monopoly organisations, as well as permission to allow civil servants to operate businesses as part of a broader strategy for the indigenisation programme. (Mullei and Bokea, 2002). The result was that there was growth in the number of micro and small enterprises operating informally. The trend continued into the 1980s and early 1990s.

In 1996, a policy scenario focused on MSEs came into being with the publication of Sessional Paper No 1 of 1986, on Economic Management for Renewed Growth. This Sessional Paper highlighted the potential of the MSE and recognised that 80% of the population reside in the rural areas where they are involved in off-farm income-generating activities.

In 1989 the Government of Kenya (GOK) published the document entitled “A Strategy for Small Enterprise Development in Kenya: Towards the Year 2000” which focused on the constraints the sector was experiencing. They were classified as (1) the enabling environment, (2) investment and finance, and, (3) promotional programmes and enterprise culture. These formed a basis for designing fairly focused policies on the sector. The MSE Unit in the Ministry of Planning and National Development was later upgraded to a division with two distinct sections. The first section, called The
Policy Section was given the mandate to develop policy, monitor implementation, coordinate and disseminate information to target users and assess impact on the beneficiaries. The second section, called The Deregulation Unit, was given the mandate to facilitate creation of an enabling environment for promoting MSEs by addressing the existing constraints.

According to Petrof (1987) government programmes in many developing countries, are the only means for providing financial help, technical assistance and other types of aid which the SE needs if it is going to expand. The Government is the best placed institution to act as facilitator and coordinator.

Majority of institutional credit provided to MSE investments in Kenya comes for non-governmental organisations (NGOs) (Oketch, 1999). According to a survey of institutions and projects involved in the development of the MSE sector by the Office of the Vice President, The Ministry of Planning & National Development and the British Government, 16 private sector organisations, 15 Government ministries, parastatals and agencies, 50 NGOs and 11 donor organisations were identified. 50 organisations were involved in the provision of credit for MSE sector, among them Barclays Bank and Kenya Commercial Bank. The total loans disbursed are Ksh 115.6 million in 1990, Ksh 210.8 million in 1991 and Ksh 240.7 million in 1992.

The organisation of women into groups, self-help or otherwise, has provided to some extent a viable structure through which women can support each other and benefit from development initiatives. Of particular significance in this regard are the
women's income generating projects that are organised as women's groups enabling
supporting agencies and extension personnel to reach more women while at the same
time allowing more women to learn together and encourage each other. (GOK, 1991)

The Church has played a unique but definite role not only in helping to motivate
people so that they want to change, but also in bringing a spiritual and ethical content
to secular programmes. According to Batchelor (1981), church leaders rightly felt that
they should work towards financial independence. The only way in which they could
hope to raise anything approaching the large sums needed was by introducing money-
making enterprises. Over twenty such projects were started, owned by the church for
the purposes of getting an income. A Middle-East church in a Muslim country,
invested money in buildings. Income from rents paid pastors' salaries. When the
Church is helping to raise living standards, then she is in a strong position to show
what is meant by Christian stewardship. Churches are helping needy people in various
ways, including the obtaining of land, planting of profitable trees, making and selling
handicrafts, starting cooperatives and improving grain and storage techniques.

Okullu (1987) sees the role of churches in development as being that of interpretation,
that is, a "continuous identification and formulation of viable projects. The Church
should be a factory of new ideas of development – agriculture, community healthcare,
village technology, small-size rural industries."
In view of the above, understanding who these entrepreneurs are, what they do and the factors that affect their sustainability provides an essential starting point for consideration of policies and strategies to improve the delivery of training and business services to the entrepreneurs. (Mullei and Bokea, 1999)

1.2 Statement of the Problem

The Church in Kenya is one of the special groups that are well placed to provide programmes that lead to creation of jobs. In the present transition period, the church should have a key role in providing solution to unemployment (through its entrepreneurial activities). (Stott, 1990)

There is need to study the factors affecting church-based income generating activities in Kenya so that specific policies and strategies can be enacted to suit them and enhance their sustainability. This study was carried out to identify the economic role of the income generating activities carried out by church organizations in Dagoretti.

1.3 Objectives of the research

The broad objective of this study was to assess the factors that affect sustainability of church-based income generating activities in Dagoretti, Nairobi.

The specific objectives were:

(a) To establish the type of income generating activities carried out by church organisations in Dagoretti

(b) To identify the factors that led to the establishment of income generating activities by the churches
(c) To assess the factors affecting sustainability of the income generating activities
(d) To come up with suggestions on how problems affecting these income generating activities can be dealt with

1.4 **Research Questions**

The study used the following questions to gather information from the target population:

(a) What are the types of income generating activities that are carried out by church organisations in Dagoretti?

(b) What factors led to the starting of the income generating activities by the church organisations?

(c) What are the factors affecting sustainability of the income generating activities?

1.5 **Significance of the Study**

The study aimed at contributing to development of a policy for church organisations that would help policymakers involved in facilitating improvements in society.

(1) Information obtained through this study might be useful in planning for partnerships between government and church organisations in creation of jobs hence alleviation of poverty in Kenya.

(2) The churches would be able to benefit from sustainable programs and this would lead to growth and development.
(3) Those who fund the projects would be more confident because the businesses would be able to sustain themselves.
(4) Results and recommendations derived from this study would form a basis for further research on church-based income generating activities.

1.6 Scope of the Study

This study aimed at assessing the factors affecting the sustainability of the income generating activities undertaken by churches in Dagoretti region of Nairobi only. This included all the church-based organizations along Ngong Road, Naivasha Road going on to Dagoretti Market. A sketch showing this region is included in this study as an appendix. In the study, the type of business activities carried out were observed, reasons for the start up of the business, the employees, factors affecting their sustainability and finally recommendations made to improve the growth of these activities.

Time and funds available to carry out the research did not allow the survey of all the churches in Nairobi. There are many income-generating activities already established in this region but the research was limited to those income-generating activities carried out by churches in Dagoretti region only because of convenience, data availability and consistency.
1.7 Limitations of the Study

The researcher was limited during the research by the funds required to exhaust all the income-generating activities undertaken by churches in Dagoretti. She was also limited by time because of the great distance between some of the churches.
CHAPTER TWO

2.0 LITERATURE REVIEW

2.1 Introduction to Literature Review

In this section, review of literature related to this study is made. This is in line with the variables as identified in the statement of the problem. Information shall be provided on micro and small enterprises in Kenya, importance of sustainable income generating activities by churches and factors affecting sustainability of this type of income generating activities.

2.2 Micro and Small Enterprises in Kenya

In Kenya, it is now widely recognized that the promotion of the micro and small enterprises (MSE) sector is a viable and dynamic strategy for achieving national goals including employment creation, poverty alleviation and balanced development between sectors and sub sectors. Together, all these form the foundation of a strong national industrial base and domestic production structure that are central to the Government’s vision of achieving newly industrialized country by the year 2020.

Results from a recent MSE baseline survey, (Mullei & Bokea, 1999) in Kenya show that the sector contributes at least 13% of Kenya’s gross domestic product (GDP). The Government’s commitment to the promotion of MSE development could be achieved through linkages between small and large firms and a range of effective
organisational techniques. Such techniques include: increased co-operation, coordination and networking. When there is networking among small firms in specific sectors, services such as marketing, research and development, skills acquisition, and even production can be shared (Mullei & Bokea).

During the last 15 years, Kenya has seen stagnance in real per capita income growth. This has been brought about by limited economic growth and high population increases, which have led to increased unemployment and poverty (GOK, 1998). According to the report, the number of people unemployed is currently estimated to be about 2.7 million and the labour force is increasing by $\frac{1}{2}$ a million a year.

Although the country's economy has been creating an average of 240,000 jobs annually, the vast majority of these jobs are in the informal sector characterised by low wages. In addition, the decline in the average size of agricultural holding has enhanced the problem of unemployment in rural areas and this has in turn increased the number of poor. According to the Ministry of Planning & National Development Report, a considerable number of people in Kenya remain working poor and it is considered that the number of people living below the absolute poverty line has been rising.

Rapid growth of population in urban areas resulting from a large number of migrants from rural areas has increased the problem of unemployment. In addition, the problem is made worse by the recent economic reforms which have led to stiff competition
stimulated by cheap imports and to retrenchment and the laying off of many employees by various organisations including the public sector (GOK, 1999)

With increasing employment pressure, more Kenyans are turning to the informal sector. The importance of MSEs to Kenya’s economy is well summarized in a recent paper by Kenya Rural Enterprise Programme (KREP) given in the table below:

<table>
<thead>
<tr>
<th>Enterprises</th>
<th>Description</th>
<th>No of workers</th>
<th>Average Assets</th>
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<tr>
<td>Micro</td>
<td>Less than 5</td>
<td>65</td>
<td>1,000</td>
<td></td>
</tr>
<tr>
<td>Emergent</td>
<td>6 – 10</td>
<td>325</td>
<td>5,000</td>
<td></td>
</tr>
<tr>
<td>Small</td>
<td>11 – 50</td>
<td>3,250</td>
<td>50,000</td>
<td></td>
</tr>
<tr>
<td>Medium</td>
<td>51 – 100</td>
<td>6,500</td>
<td>100,000</td>
<td></td>
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According to the KREP report, the following salient points emerge:

- the sector comprises 98 per cent of all businesses in the country
- it provides 61.3 per cent of all wage employment in the country outside small scale agriculture and pastoralism
- today, 75 per cent of all new jobs are created in this sector
- it requires less expensive infrastructure to flourish
• It provides employment to 623,000 persons in Nairobi or more than 25 percent of the city's population. (Economic Survey, 1997)

2.2.1 The need for sustainable income generating activities by churches

Building of nations is an enormously important theme summary that every African president is bent on achieving. Every individual, every situation, the university, commerce and industry, the trade unions and of course, the church are summoned to participate in it. It is of paramount importance that the church knows exactly where it stands in relation to this (Okullu, 1987)

David Bleakley believes that in the present transition period, the church should have a key role in providing solution to unemployment. He says it is well placed to do so as it cuts across the whole spectrum of the community. “It can be a unique lobby, articulating the Christian social demand and encouraging its people to discover and apply such demands through national and local church initiatives.” (Stott, 1990)

Okullu (1987) describes the church's role in development by saying that participation is a theme that must run through all the elements of the developmental process as the influencing, guarding, and guiding principal. “we shall thus concentrate on people-based developmental planning.”
According to Berger, a United States UN economic expert, "even under socialist systems, particularly in developing countries, collectivities other than the state are crucial for development, even if a system does not permit private enterprise by individuals, the economic efforts by families, villages, various traditional groupings (such as groupings of kinship, faith, tribe or ethnicity) and more modern forms of associations (cooperatives and the like) are the true carriers of development. (Lappe & Collins, 1980)

Okullu (1987) sees the role of churches in development as being that of interpretation, that is, "a continuous identification and formulation of viable projects. The church should be a factory of new ideas of development – agriculture, community healthcare, village technology, small-size industries. Our projects must be of the innovative type. We must all the time be breaking new ground with courage, participating in God’s work of creation."

In his introduction to *Serving with the Poor in Asia*, Yamamori states that a truly holistic ministry defines **evangelism** and **social action** as functionally separate, relationally inseparable and essential to the total ministry of the church. **Evangelism** includes those efforts devoted to the proclamation of the Good news of God’s Salvation in Jesus Christ. **Social action** encompasses those efforts devoted to the liberation of men and women from social, political and economic shackles. (Yamamori & Bediako, 1996)
The role played by the churches involved in business activities is not a new idea. According to Magnuson (1990), when a missionary called Raws started the *Whosoever Gospel Mission* in a former saloon in the year 1892, he featured only gospel services. He soon became convinced that he must meet material needs also, and that is how Rescue Homes, cheap meals, lodging-house, wood-yard and various other industries came to be. In less than three years, the mission dispensed 92,000 meals, gave a short-term lodging to 1,174 persons and began manufacturing brooms and wood. By 1897, Raws claimed to have employed 8,000 men in operations that by then included: broommaking, brushmaking, woodcutting, upholstering, printing and chair caning. (Magnuson, 1990)

Church in Action with the Unemployed (CAWTU) was founded in the United Kingdom in 1982. (Stott, 1990). CAWTU is sponsored by the main church denominations and emphasizes three areas in which local churches can take initiative:

- set up a ‘drop-in centre’ or resource centre on church premises where unemployed people can find companionship, information, a library, refreshments or recreation
- sponsor one of the schemes suggested by the Manpower Services Commission, either under their Youth Opportunities Programme or under their Community Enterprise Program to provide long-term adult unemployed people with temporary work of benefit to the community
- job creation or starting a neighbourhood cooperative (for odd jobs) or joining with others to set up a new business. (Stott, 1990)

Other church organisations like the Gospel Welfare sought to counter the problem of unemployment by supplying men with jobs partly within their own institutions, and partly through the formal and informal employment bureaus they operated. They also
trained unemployables in new skills as well as in new attitudes and life patterns. (Magnuson, 1990)

However, misunderstandings frequently arise when the church is involved in commercial activities (Batchelor, 1981). According to Batchelor, in the Pacific, some missionaries have trading stores which serve both the people and help to raise needed funds for local travel. The stores are liked but they are looked upon as the main reason for the existence of the church. Becoming a christian is therefore confused with becoming a business partner.

It is apparent that the income generating activities carried out by church organisations have a significant role to play in Kenya’s economy. However, the income generating activities are prone to challenges that cause their sustainability to be hampered with.

2.3 Theoretical Literature

2.3.1 Credit and Finance

According to Mullei & Bokea (1999), lack of credit and finance, whether for working capital, fixed capital, or other type is a major constraint to 32.7% of firms in the MSE sector. Most MSEs rely primarily or exclusively on own savings and reinvested profits for their business finance. This is not sufficient because of the fact that lack of credit and finance to effectively manage cash flows accounts for 30.1% of dead small-scale and jua kali businesses. Lack of access to credit is also reported in many studies to account for excess capacities in MSE firms. Evidence from MSE surveys in the country indicate that enterprises that have accessed credit as well as other inputs have
survived longer and in addition were able to expand more than those without access. These studies show a positive relationship between an enterprise’s access to credit and the level of net income in the enterprise. Self-financed firms generally start smaller than those that start up with external financing.

According to Lundstrom and Steveson (2002), small firms are disadvantaged in capital markets because they lack the collateral security or knowledge to secure conventional financing, were perceived as higher risk and deemed less profitable. Therefore, small firms lacked access to the resources necessary to expand, modernise or grow. Their stunted growth prevented small firms from increasing employment and productivity, and contributing fully to overall economic growth in the economy. Financing gaps still exist in segments of the market, defined either in terms of stage of business development, target group, sectors or geographic region.

2.3.2 Leadership styles

There may be as many different leadership styles as there are types of people, but they fall into several main categories. Ted W Engstrom mentions some these: The first one is what he calls “Laissezfaire” in which a leader gives maximum direction and provides maximum freedom for group decisions. This style lends itself best to those leaders who are away a lot or who have been temporarily put in charge.

The second is “Democratic-participative” where decisions are made for the people through participation. The emphasis is upon the group through participation of the
collective. The leader in this kind of structure is there to assist, suggest, and allow adequate communication to flow. Perhaps, the greatest weakness of the democratic style is that in times of crisis there is usually much costly delay in action.

The third style of leadership is "Benevolent-Autocratic". This style is characterized by the father-like concern the leader has for his people. The autocratic leaders cannot get too close, but the paternalistic leader identifies closely with the group. Identification, however, tends to make the people in the group too dependent and weak. It can degenerate into mere admiration and pseudo-worship. When this kind of leader is removed from the scene, the organisation flounders. This 'family' approach appeals because it creates the illusion of security and fellowship, but this is at the expense of efficiency and effectiveness. Discipline is hard to maintain and coordination often suffers with this style.

The fourth one is what Engstrom calls "Autocratic-bureaucratic". This is the extreme of the democratic style which is known for its "one man rule" type of leadership. This is often found in Christian groups and organisations. The leader using this style answers to no one and exercises a lot of authority and threats. Malice, intolerance and suspicion are the fruits of this kind of style because resentment issues from feelings of injustice and corrupted power.
2.3.3 Social demographic factors

Certain demographic segments of society are underrepresented in business ownership (Lundstrom & Steveson, 2002). Women's labour force share in modern sector wage employment is only 26% (Economic Survey, 1997).

Since the publication of Sessional Paper No 2 of 1992, the government has pursued policies and programmes intended to improve the welfare of all Kenyans. It has adopted strategies that are sensitive to the needs of women and men, youth and people with disabilities. It has supported civil education and gender awareness programmes aimed at eliminating negative social-cultural practices and attitudes towards women (GOK, 1992). According to the report, there is lack of access to control over and management of resources by women, youth and people with disabilities.

The women are more disadvantaged than men when it comes to credit. More male (54.5%) than female (45%) are aware of government credit policies. More than three quarters of entrepreneurs, especially women, had not received any training.

Women's productive activities are concentrated in micro-enterprises, in ventures such as hawking, retail trade, manufacturing and periodic market trade. Despite the numerical dominance of women in micro-enterprises, there are marked gender disparities and inequalities between men and women participating in similar activities (Mullei & Bokea, 1999).
2.4 Empirical Literature

2.4.1 Leadership

In his research, Hategeka (2001) says one cause of churches facing imbalanced growth or lack of growth at all is poor leadership. This is where the church founder is the boss and the head of all activities that take place in the local church. He fails to equip the laity and to promote teamwork through involvement of the congregation members in church activities, and, as a consequence, he works alone for poor productivity. Such problems have led many churches to the state of stagnation, lack of empowerment and lack of self-reliance in the local churches, which subjects most of them to depending on outside donations and churches from abroad. (Hategeka, 2001)

Leadership develops where the climate is conducive to involvement. The church must examine whether a person is suitable for a leadership position under the following criteria: spiritual life, experience and background, vision for the job, appearance, skills in management and communication, availability and need for training.

According to Chaney (1989), on leadership in the church, “I would stress the importance of a dynamic, creative leader who thinks big...” Any form of church growth strategies are likely to cause changes in the church and bring positive fruit as they are closely related with leadership dynamics as well as its development.

A study by Wangombe (2002) found out that conflict among church leaders in Nairobi was related to work, resources, personality differences, unhealthy relationships and inability to accept or manage change. The main sources of conflict were struggle for
leadership positions, financial control and mismanagement, prejudice against women leaders, and differences in ethnic backgrounds. According to his study, many church leaders could not be trusted with church finances and ethnic-based biases were prevalent among church leaders. In his conclusion, Wangombe recommends that those who recruit church ministers must be more scrupulous and realize that theological education alone is not sufficient for ministry and church leadership. The fact that there was prejudice against women leaders was lamentable. Women comprise over half of the church population and they need room to exercise their leadership gifts.

According to Berhe’s research (1995), questions pertaining to leadership style often perplex leaders, especially those who sincerely desire to behave ethically and avoid manipulation. Leaders wonder to what extent they should attempt to influence the decisions of the church, or what circumstances call for assertive or passive behaviour. Many church leaders have lost the opportunity to be effective because they have erred repeatedly by choosing a style of leadership inappropriate for the circumstances. Means mentions three factors that highlight the need for leaders to develop good judgement in making choices.

First, undermined confidence: Leaders who behave inappropriately in their attempts to influence will lose credibility and nothing is more important to successful leadership than credibility. When leaders are excessively aggressive, they may be perceived as dictators. If leaders are inappropriately and repeatedly submissive, it is likely that they will be perceived as weak or non-leaders.
Second, lack of achievement. Submissive leaders tend to err in their excessive concern for congeniality and harmony, which often results in the absence of task fulfilment. In their desire to avoid controversy, they do not stimulate group achievement.

Third, is servility or hostility. Leadership behaviour that errs toward too much control may well result in either a servile submissiveness or hostility (or both) in the attitude of the followers. Aggressive leadership behaviour may provoke open antagonism, sullen silence or quiet withdrawal – all expressions of hostility.

David Cormack suggests that there is need of balance between individual, task and team if leaders want to maximize their development in team-leadership. He says that the individual needs to be accepted by the leader, be able to contribute to the task and be part of the team. The task needs to set clear targets for the group, set standards of performance, clarify responsibilities, and make use of the resources. The team needs to know and respond to the leader’s style and vision, feel common sense of purpose, and grow and develop as a unit. There is need of developing a team-leadership and sense of collegiality, a team-spirit in church leadership.

In a study by Otolo (1999) on income generating activities in Universities, centralization of control was cited as one major hindrance to autonomy which prohibited the unit managers from making their own judgements and decisions, a factor which was found to cause a lot of frustrations amongst the IGA personnel. To this factor, many of the IGAs proposed the institution of a centralised body whose function would be advisory, coordination and appraisal of the IGAs.
Ambutu (1982) says that leaders in the institutions should realise that their inefficiency or indifference to organisational goals can be the cause of interruption of normal activities. The role of the administrators should therefore be to create and encourage situations which are conducive to smooth running of the institutions. When leaders fail to realise their role seriously then theirs is a definite problem. He also recommends that there is need for leaders to avoid “empire building” and to realize that the institutions exist to serve national interests and not individual interests.

2.4.2 Social demographic factors

Nairobi comprises of many tribes of the country and various ethnicities of the world culturally. “The city of Nairobi is like a great magnet which draws people from every tribe and every section of the country”. (Daystar, 1989)

Nairobi has the rich and poor, the educated and the uneducated among others. According to Hategeka (2001), there is need to understand the city, and discern both the negative and positive meaning of urban reality so as to avoid setting wrong theologies which will not address the needs of the city. The church planters need to understand the culture of the city they are working in, recognize that there are differences between one area and another, between one people and another, and between one set of values and another.

According to the Daystar survey, most men leave their families and move to Nairobi to search for work; the men are significantly more than women (there are 72 women for every 100 men). In contrast, the church in Nairobi has more women who are
attendees than men. Kodiwo (1993) argues that while some scholars hold that both men and women show no difference in work performance, others say that men rate higher than women hence farms under male management perform better than those run by their female counterparts.

The churches have attracted more young people than others. 80 per cent of those less than 30 years of age are not attending any church for at least once a month. There are many reasons for the church to plan for an effective youth ministry. (Nyomi, 1993) According to him, young people have gifts and skills they want to use today for the growth of the church and they do not want to be on the fringes until a future date. Young people are demonstrating all over the continent that the old adage “youth are the Christian leaders of tomorrow” is inaccurate. If given an opportunity, young people have a lot to contribute to the church today. They can be recognized as leaders of today and tomorrow. The world is dynamic, and the factors that used to guide young people are changing. Therefore, young people can be assets to the church in reorienting the entire communities to be more effective in today’s world. The church has a responsibility to empower, through the help of the Holy Spirit, young people to grow and have their needs met. (Nyomi, 1993)

Kodiwo (1993) says that the age of a farmer has a notable effect on land use intensity. In his study, Kodiwo says that scholars have noted that middle-aged farmers are less willing to innovate than the more youthful farmers. According to Ilbery (1983), younger farmers strive to maximise income and enlarge their enterprises as opposed to their older counterparts.
Christian adults, on the other hand, are very significant in church leadership. According to Sisemore (1970) lose the adults and the church may very well die in this generation. According to Buconyiri (1993) adults of any society are the ones who shape attitudes, determine policies, furnish the leadership, provide the finances, influence the young and determine both the society’s and church’s future. Male adult husbands generally occupy responsible positions in society. Many occupy places of responsibility in their local churches. Some also play essential roles as leaders in government, non-governmental and/or private sectors (Nielson, 1979; Buconyiri, 1993)

The Daystar report found out that people within the lowest income group are significantly underrepresented in the church. For instance, 30 per cent of Nairobi’s dwellers have no jobs, but only 18 per cent of the jobless people attend churches. There is need to look for ways and means of incorporating the poor as well as the rich in churches.

The churches in Nairobi have a higher number of educated and well-informed attendees than the population. Less than 42 per cent of Nairobi’s population have received secondary education but almost 2/3 (66%) of those who attend church have completed some secondary education. Results by Yiega (1999) reveal that education, age and experience of a businessman, among other variables, affect the performance of his business. This study recommends that to improve the performance of these
businesses, the level of education and exposure of the present and potential entrepreneurs should be improved. This can be achieved through adult education programs and awareness seminars.

The ethnical composition of church attendees is proportional to the ethnic composition of Nairobi. For instance, the Kikuyu are the largest tribe in both the church and the city. However, the number of Luhya people who attend church is greater than their proportion in the city. (Daystar, 1989)

According to Wangombe (2002) the question of ethnic background among the leadership of the church featured even in the appointment of staff to head bible schools owned by churches. When one such church-owned theological college was granted a charter to become a university, the move was vehemently opposed by some church leaders in the management board to the extent of instigating a strike in the college. They did not want the incumbent principal to become the first vice-chancellor because he was from what was perceived as the wrong tribe and would therefore not serve their purposes.

The dimension of conflict among church leaders in churches that are dominated by one tribe sometimes changes into inter-clan and village rivalry. Wangombe (2002) quotes the words of a victim: "If our village back home looks down on yours, this is carried to the church in Nairobi. If I am in power, I place my people in every key office from the top to the ground. If there are scholarships, they are given along the clan and village camps among the clergy."
2.4.3 Finance and Credit

Finances are a major challenge in church planting. (Ocholla, 2004) according to her, church planting requires, premises, staff and equipment, all of which require major expenditure. To overcome this challenge, they have encouraged their church planters to be in businesses in the areas they are planting churches. When the business comes to a level where it begins to generate funds, it will hopefully provide income to support the church. Secondly, if they are providing a service within a certain community, they will be in contact with their congregation not only on Sundays but everyday of the week. According to Kabachia (2004), church leaders need to empower their pastors economically. “It is possible to do both business and church planting. The bible has a few such models. Some of the most successful church planters such as Paul and Apollos were tentmakers.”

Yiega (1999) in his research concludes that the level of initial capital has a direct positive impact on the business. It was discovered that those businessmen who had invested more than kshs10,000.00 had better returns than those who started with less amount. Most respondents complained of lack of financial institutions from where they could get financial assistance. To improve on sources and management of funds, the study recommended that the retailers should form savings and credit societies. This could be achieved best with the government’s intervention and support.

Harper, in his study found out that capital was not really a constraint as most of the businessmen believed, but the biggest problem was the effective employment of the
capital which existed. Therefore, he states, “shortage was to some extent illusions and detailed examination of the financial position of a sample of 169 traders substantiated this view.” Their main problem was their failure to make the most efficient use of existing capital rather than the need for more money from outside (Harper, 1974).

Financial control and management

There is conflict when leaders struggle to influence how money should be spent, when some leaders failed to account for the money due to misappropriation or other reasons, and when those in charge of money used their offices to manipulate fellow leaders (Wangombe, 2004). According to this research, some leaders keep all financial matters of the church a secret from their colleagues. They would never know how much was raised by the congregation in offerings or how much was spent in church projects.

The study revealed that those in charge of salary payments were highly influential especially where money was not enough to pay all the salaries on time.

Issues of money are so sensitive among church leaders that some leaders have been victims of suspicion and jealousy by fellow ministers when they appear to prosper even when they are innocent. In one episode, a church leader was accused of misusing church funds just because he had bought a new house (Wangombe, 2004)

2.5 Summary and gaps to be filled by the Study

Currently, there is no accurate data on characteristics of income-generating activities by church organisations, their locations or factors affecting their sustainability.
It is hoped that the results of this study will provide useful information that will aid those involved with these activities to improve their businesses so that they can be more sustainable. The research results and the recommendations if implemented will enable the church organisations to achieve their maximum potential and hence contribute more to the economic welfare of their churches and members’ standard of living.

2.6 Conceptual Framework

A conceptual framework shows the relationship between independent and dependent variables in a research study. The independent variables in this research study are: Leadership, Socio-cultural factors, and Financial Management. The dependent variable is Sustainability. Sustainability in the study is defined by increase in profits, employees, size and market of the income generating activities.

<table>
<thead>
<tr>
<th>Independent variables</th>
<th>Dependent variable</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>LEADERSHIP</strong></td>
<td><strong>SUSTAINABILITY</strong></td>
</tr>
<tr>
<td>• Type of leadership</td>
<td>• Increase in profits</td>
</tr>
<tr>
<td>• Conflict in leadership</td>
<td>• Increase in no of employees</td>
</tr>
<tr>
<td><strong>SOCIAL DEMOGRAPHIC FACTORS</strong></td>
<td>• Size of Income generating activity</td>
</tr>
<tr>
<td>• Gender issues</td>
<td>• Size of the market for the income generating activity</td>
</tr>
<tr>
<td>• Tribe</td>
<td></td>
</tr>
<tr>
<td>• age</td>
<td></td>
</tr>
<tr>
<td><strong>FINANCES</strong></td>
<td></td>
</tr>
<tr>
<td>• Financial management</td>
<td></td>
</tr>
<tr>
<td>• Size of church</td>
<td></td>
</tr>
<tr>
<td>• Availability of finance &amp; credit</td>
<td></td>
</tr>
</tbody>
</table>
CHAPTER THREE

3.0 METHODOLOGY

3.1 Introduction

This chapter describes the methods that were employed to find answers to the research questions listed in chapter one. This description is undertaken under seven subheadings: Research Design, Population, Sample, Instrumentation, Data Collection and Pilot Study.

3.2 Research Design

The study used a Survey research design. Surveys are used to systematically gather factual information necessary for decision-making. According to Ogulla (1988), Surveys are an efficient method of collecting descriptive data regarding the characteristics of the population, current practices and conditions or needs. They also gather information from relatively large cases by employing sampling procedures hence cutting down on costs. Given the above stated attributes, a Survey design was pertinent to this study in order to capture descriptive data from a selected sample of the target population.
3.3 Population

The population that was studied are the church organisations in Dagoretti Region of Nairobi. A National Survey of Churches in Kenya carried out by Africa Center for Missions – Finish the Task, in partnership with DAWN Ministries (2004) gives the estimate of this population as 129 church organisations registered in Nairobi (see Appendix 6). According to Best’s definition of population, ‘a population is any group of individuals that have one or more characteristics in common that are of interest to the researcher. The population may be all the individuals of a particular type or a more restricted part of that group.’ (Best, 1981).

In this study, then, the restricted part of the whole population were those church based organisations involved in income generating activities and situated in Dagoretti region. Such activities include: radio stations, television stations, bookshops, multi purpose conference halls, retreat centres, sound equipment services, transport services, entertainment, clinics, supermarkets, catering services, furniture rentals and many others.

It was the interest of this study to find out the factors that affect the sustainability of these activities.

3.4 Sample

Sampling is the process of selecting the individuals who will be questioned as part of the study. In a sample survey, only a section of a population is enumerated. (Best, 1981) Sampling also has the advantage of using limited resources of personnel, time and money. The researcher used purposeful sampling method to come up with the
sample for this study. Purposeful sampling is a non-random sampling procedure whose logic and power lies in selecting information-rich cases for in-depth study (Patton, 1990). These are cases from which one can learn a great deal about issues of central importance to the purpose or research. The respondents were all the churches in Dagoretti purposefully selected because they had income generating activities. 30 churches with income generating activities were selected and studied (see appendix 7). The relevant leaders were given questionnaires and useful responses made to provide answers to the research questions.

3.5 Research Instrument

Instruments are tools by which data is collected (Mutai, 2002). According to Warwick and Lininger (1975), when carrying out research, researchers want methods that provide high accuracy, generalizability and explanatory powers. They should be low in cost, rapid in speed, have minimum demand on management yet with administrative convenience. Therefore, the researcher used the type of tool as outlined below.

3.5.1 Questionnaire

The study employed a self-completion questionnaire (appendix 8) for data collection. It was used to examine the income generating activities carried out by church-based organisations in Dagoretti region. The questionnaire comprised 20 questions, which were answered by the leadership of the income generating activities.
3.6 Data Collection Technique

The researcher established the help of two trained research assistants to collect the data, with the use of the research instruments. Each respondent was issued with the instruments to fill out by the research assistants.

3.7 Data Analysis and Presentation

This study used both qualitative and quantitative techniques of data analysis. Thus, data collected is analysed descriptively by content. Frequency of occurrence was tabulated using percentages. The results were presented using graphs and frequency tables.
CHAPTER FOUR

4.0 FINDINGS AND INTERPRETATIONS

Introduction

In this chapter, findings of the study from the research questions investigated are presented. The study was conducted by use of a questionnaire administered to churches in Dagoretti in Nairobi. Useful responses were received from 30 churches purposefully selected because they have income generating activities.

Presentation of the findings follows the sequence of research questions investigated. The section gives a descriptive analysis of the questions explored in the study. Tables show frequencies and percentages, while charts show visual presentation of the data where deemed necessary.

The objective of the study was to identify the types of income generating activities operated by churches in Dagoretti, Nairobi and to assess the factors that affect their sustainability. All the churches surveyed carried out their major activity of preaching the gospel. Other activities included helping the poor in society, fighting for human rights and counselling. 93% of the churches had income generating activities. The main type of income generating activity was primary and nursery schools. 37% of the churches said that they reason for establishing income-generating activities was service to society or community. Only 17% said they started the activity as a source of income.
FINDINGS

4.1 INCOME –GENERATING ACTIVITIES CARRIED OUT BY CHURCH ORGANISATIONS IN DAGORETTI

This question explores the activities carried out by churches. The types of activities that are income generating are especially investigated.

Table 1: Activities Carried Out by Churches

<table>
<thead>
<tr>
<th>Activities involved in</th>
<th>Frequency</th>
<th>Percentage of Cases</th>
</tr>
</thead>
<tbody>
<tr>
<td>Preaching the gospel</td>
<td>30</td>
<td>100</td>
</tr>
<tr>
<td>Helping the poor in society</td>
<td>23</td>
<td>77</td>
</tr>
<tr>
<td>Human rights</td>
<td>12</td>
<td>40</td>
</tr>
<tr>
<td>Income generating activities</td>
<td>28</td>
<td>93</td>
</tr>
<tr>
<td>Counselling</td>
<td>1</td>
<td>3</td>
</tr>
</tbody>
</table>

4.1.1 Activities carried out by the churches

Table 1 above shows that all churches perform their primary objective of preaching the gospel to the members. The main activities carried out by church organisations in Dagoretti include preaching the gospel (100%), helping the poor in society (77%),
human rights (40%) and counselling. 93% of the churches interviewed had at least one income-generating project. Some had more than one income generating activity. For example, one of the largest churches had a primary school, a multi-purpose hall, a retreat centre, hiring out of sound equipment, a restaurant, buses for transport and a bookshop, all going on concurrently. This shows that the larger the church the greater the possibility of investing in small scale and even large-scale income generating activities.

Table 2: Cross tabulation of Income Generating Activity Against Age of Church

<table>
<thead>
<tr>
<th>Activity</th>
<th>When was the church founded?</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Less than two years ago</td>
<td></td>
</tr>
<tr>
<td>Income generating activities</td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td></td>
<td>3.6%</td>
<td>10.7%</td>
</tr>
</tbody>
</table>

4.1.2 When the church was founded

The table above shows that 86% of churches with income generating activities have been in existence for more than five years. Only 4% of the churches with such activities had existed for less than 2 years. It can be observed that the longer the
churches exist the more likely they are to venture into income generating activities. Such a church is more stable in its programs and may have more members. A larger church will therefore be more likely to raise more finances for capital to start business ventures and also provide a bigger market for the business. A church with more members will also have more needs to be met e.g. the need for a nursery school for the children of the members.

4.1.3 Types of income generating activities carried out by churches

The table 3 below shows that the types of income generating activities carried out by churches are wide ranging. Schools/nurseries are the most popular carried out by 77% of the churches. The churches start these schools primarily to provide education for the children of their members. Some start off as daycare centres where the parents can leave their children in safe custody as they go to work. These develop into nursery schools and then into primary schools. 50% had a multipurpose hall that is leased out to groups for conducting meetings and other social activities. 40% of the churches hired out their sound equipment. The least common activities were found to be a university, tree nursery and bookshop with 3% in each category. This is because of their heavy cost and professional requirements.
Table 3: Types of Income Generating Activities Carried Out

<table>
<thead>
<tr>
<th>Income Generating Activity</th>
<th>Frequency</th>
<th>Percent of Cases</th>
</tr>
</thead>
<tbody>
<tr>
<td>School</td>
<td>23</td>
<td>77</td>
</tr>
<tr>
<td>Multipurpose hall</td>
<td>15</td>
<td>50</td>
</tr>
<tr>
<td>Hiring out sound equipment</td>
<td>12</td>
<td>40</td>
</tr>
<tr>
<td>Retreat centre</td>
<td>4</td>
<td>13</td>
</tr>
<tr>
<td>Restaurant</td>
<td>3</td>
<td>10</td>
</tr>
<tr>
<td>Transport services</td>
<td>3</td>
<td>10</td>
</tr>
<tr>
<td>Clinic/health facility</td>
<td>3</td>
<td>10</td>
</tr>
<tr>
<td>Rental houses</td>
<td>3</td>
<td>10</td>
</tr>
<tr>
<td>Loan facilities</td>
<td>2</td>
<td>7</td>
</tr>
<tr>
<td>Tree nursery</td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td>Bookshop</td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td>University</td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>71</strong></td>
<td><strong>237</strong></td>
</tr>
</tbody>
</table>
4.2 FACTORS THAT LED CHURCHES INTO INCOME GENERATING ACTIVITIES

This question seeks to create an understanding as to why churches get into income generating activities.

Chart 1: Reasons for Establishing Income Generating Activities

The chart above clearly illustrates that majority of the churches get into income generating activities as a way of serving the community. 23% of the churches look at such activities as a contribution towards poverty eradication. Only 17% start such activities with the aim of creating some income. This means that income-generating activities are service oriented. For example, one church that had a bookshop started it mainly to sell the books or message tapes by their leaders with very few exceptions.

4.2.1 Source of Employees

The table 4.4 below illustrates that churches primarily get their members to run the projects. 7% get their staff from other sources. This suggests that only those skills or
qualifications not found among the members are outsourced. The churches tend to seek the staff from their own congregations before they can invite non-members. This implies that it is only for those skills or qualifications not available among the members that they will source outside their organisations.

Table 4: Source of Employees

<table>
<thead>
<tr>
<th>Source Of Employees</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Church members</td>
<td>24</td>
<td>92%</td>
</tr>
<tr>
<td>Other</td>
<td>2</td>
<td>8%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>26</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

Chart 2 Current versus initial number of employees
4.2.3 Current versus initial number of employees

The chart 2 above illustrates that a large proportion (83%) of the churches started off with less than 3 employees and 63% have maintained that number to date. It was observed also that those projects that started with more than 3 employees have all experienced an increase in the employee numbers. This also means that the churches concentrate more on micro and small scale income generating activities. Only 3% of the income generating activities started off with 10 and above number of staff. For example and the university projects carried out by the hospital and the University. These are also the projects that required highly qualified personnel. The number of staff in these projects also increased considerably compared to the number of staff that they began with.

4.2.4 Employees' terms of service

It was also found out that most churches give favourable terms of service as seen on chart 3 below where 83% of all employees are permanent. 13% were on temporary terms of service and only 3% were employed as casual workers.
Chart 3: Employees' terms of service

Employees' Terms Service

<table>
<thead>
<tr>
<th>Term</th>
<th>Frequency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Permanent</td>
<td>83</td>
</tr>
<tr>
<td>Temporary</td>
<td>13</td>
</tr>
<tr>
<td>Casual</td>
<td>3</td>
</tr>
</tbody>
</table>

Chart 4: Estimated market share

Estimated Market Share

- Less than 25%
- Equal to 25%
- More than 25%

<table>
<thead>
<tr>
<th>Market Share</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>79%</td>
<td></td>
</tr>
<tr>
<td>14%</td>
<td></td>
</tr>
<tr>
<td>7%</td>
<td></td>
</tr>
</tbody>
</table>
4.2.5 Estimated market share

As illustrated by the pie chart 4 above, 79% of respondents estimated their market share to be less than 25% while 14% estimated it to be less than 7%. 7% approximated theirs to be more than 25%. It is evident that this percentage can be greatly improved with more aggressive marketing.

4.2.6 Employees’ motivation

It was found out that churches have some form of employee motivation, chart 5. Majority of the churches motivate their employee by suitable remuneration, 30% give them some form of on job training. The least common type of motivation was ‘holidays’ with 10% of the respondents. This shows that the employees of these projects are motivated to work in the organisations, despite the limited number of job opportunities available.

*Chart 5: Employees’ Motivation*
Table 5: Management style

<table>
<thead>
<tr>
<th>Management Style</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Democratic-participative</td>
<td>23</td>
<td>82</td>
</tr>
<tr>
<td>Laissez faire</td>
<td>2</td>
<td>7</td>
</tr>
<tr>
<td>Benevolent-autocratic</td>
<td>2</td>
<td>7</td>
</tr>
<tr>
<td>Autocratic-bureaucratic</td>
<td>1</td>
<td>4</td>
</tr>
<tr>
<td>Total</td>
<td>28</td>
<td>100</td>
</tr>
</tbody>
</table>

Reasons for adopted style

<table>
<thead>
<tr>
<th>Reason</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Church tradition</td>
<td>6</td>
<td>21</td>
</tr>
<tr>
<td>Leadership style</td>
<td>22</td>
<td>79</td>
</tr>
<tr>
<td>Total</td>
<td>29</td>
<td>100</td>
</tr>
</tbody>
</table>

4.2.7 Management style

82% of the churches adopt a democratic-participative style of management in their income generating projects while 4% use autocratic-bureaucratic style of management, table 5. This is because a board runs the churches or committee and all decisions are passed at this level. 7% of the churches adopt laissez fair and benevolent-autocratic style. Only 4% use autocratic-bureaucratic style of leadership. 79% adopted the style because it is the style of leadership while 21% did so in conformity with church tradition. This means that the church vision relies on the leadership style of that church.
4.3 FACTORS AFFECTING SUSTAINABILITY OF INCOME GENERATING ACTIVITIES

Chart 6: Factors enhancing business growth

4.3.1 Factors enhancing business growth

According to chart 6 above, 90% of the respondents identified proximity to the market as the factor of the greatest influence on business growth. This includes the members of the organisation and the community around it. 17% cited availability of finance and 30% qualified personnel. It can generally be seen that respondents see business growth as being influenced more by the environment rather than their own initiatives or strategies e.g. marketing.
Table 6: Factors Affecting Performance

<table>
<thead>
<tr>
<th>Factors Performance</th>
<th>Affecting</th>
<th>Below Average</th>
<th>Average</th>
<th>Above Average</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leadership</td>
<td></td>
<td>7.1 (2)</td>
<td>92.9 (26)</td>
<td>100 (28)</td>
<td></td>
</tr>
<tr>
<td>Finance</td>
<td></td>
<td>67.9 (19)</td>
<td>32.1 (9)</td>
<td>100 (28)</td>
<td></td>
</tr>
<tr>
<td>Gender issues</td>
<td></td>
<td>92.9 (26)</td>
<td>6.7 (2)</td>
<td>100 (28)</td>
<td></td>
</tr>
<tr>
<td>Cultural issues</td>
<td></td>
<td>96.4 (27)</td>
<td>3.6 (1)</td>
<td>100 (28)</td>
<td></td>
</tr>
<tr>
<td>Age/experience</td>
<td></td>
<td>77.8 (21)</td>
<td>18.5 (5)</td>
<td>100 (27)</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>3.7 (1)</td>
<td></td>
</tr>
</tbody>
</table>

4.3.2 Factors affecting performance

The table 6 above shows that 93% of the respondents said leadership has an above average influence on the performance of the businesses. This means that the majority of the respondents felt that the type of leadership would imply a successful or sustainable business. The vision of the leader would determine the direction of the business. 68% associated an average influence of finance to performance. Gender and
cultural issues together with age and experience were all regarded as having below average influence on the performance of the businesses.

Table 7: Factors Affecting Business Performance: Chi-square

<table>
<thead>
<tr>
<th>Factor</th>
<th>n</th>
<th>X²</th>
<th>df</th>
<th>sig</th>
</tr>
</thead>
<tbody>
<tr>
<td>Finance</td>
<td>28</td>
<td>5.535</td>
<td>1</td>
<td>0.019</td>
</tr>
<tr>
<td>Age / experience</td>
<td>27</td>
<td>5.191</td>
<td>2</td>
<td>0.075</td>
</tr>
</tbody>
</table>

The table 7 above shows the result of a chi-square test done on the above factors and sustainability of business. The result indicates that a significant relationship existed between finance as a performance factor and the sustainability of the business at 95% confidence interval.

The relationship between age/experience and sustainability was significant but only at 90% confidence interval.
4.3.3 Sustainability of the business activities

As illustrated on Chart 7, the financial records of 64% (two thirds) of the businesses show that they are sustainable while 36% are not. This implies that the activities can improve their performance given the strategies used to make a business grow.

Chart 8: Future Plans For The Income Generating Activity
4.3.4 Future plans for the income generating activity

Majority (87%) of the businesses have plans for future expansion, while 67% hope to diversify, chart 8 above. This suggests that many will hope to both expand and diversify.

Table 8: Factors Hindering The Business From Achieving Its Goals

<table>
<thead>
<tr>
<th>Hindering factors</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial problems</td>
<td>17</td>
<td>57</td>
</tr>
<tr>
<td>Land policy or lack of enough land</td>
<td>5</td>
<td>17</td>
</tr>
<tr>
<td>Government bureaucracy &amp; many regulations</td>
<td>4</td>
<td>13</td>
</tr>
<tr>
<td>Few customers or children</td>
<td>4</td>
<td>13</td>
</tr>
<tr>
<td>Poor marketing</td>
<td>3</td>
<td>10</td>
</tr>
<tr>
<td>Small church society</td>
<td>2</td>
<td>7</td>
</tr>
<tr>
<td>Competition</td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td>Frequent transfers of customers</td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td>Social economic differences in the population</td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td>Lack of capital source</td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>39</strong></td>
<td><strong>130</strong></td>
</tr>
</tbody>
</table>

4.3.5 Factors hindering businesses from achieving their goals

As illustrated in table 8 above, financial problems and scarcity of capital combined are the major factors that hinder 60% of the businesses from achieving their goals. Lack of land for expansion was a factor affecting 17% of the respondents.

The least mentioned were competition and frequent transfer of customers.
Table 9: Suggested Government Interventions

<table>
<thead>
<tr>
<th>Suggested Government Interventions</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Co-operation from the government in church based programs</td>
<td>12</td>
<td>40</td>
</tr>
<tr>
<td>Offer micro financing</td>
<td>5</td>
<td>17</td>
</tr>
<tr>
<td>More support to church led programs</td>
<td>4</td>
<td>13</td>
</tr>
<tr>
<td>Tax exemption or rebates</td>
<td>3</td>
<td>10</td>
</tr>
<tr>
<td>Improve security</td>
<td>3</td>
<td>10</td>
</tr>
<tr>
<td>Improve Infrastructure</td>
<td>3</td>
<td>10</td>
</tr>
<tr>
<td>Labour laws should be extended to church workers</td>
<td>2</td>
<td>7</td>
</tr>
<tr>
<td>Teach entrepreneurial skills</td>
<td>2</td>
<td>7</td>
</tr>
<tr>
<td>Offer bursaries to poor students</td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td>Improve sanitation in the area</td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td>Employ teachers</td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td>Consulting the church in policy formulation</td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>38</strong></td>
<td><strong>127</strong></td>
</tr>
</tbody>
</table>

4.3.6 Suggested government interventions

Table 9 above shows that 40% of respondents suggested co-operation or support by the government to church sponsored projects. 17% suggested that micro finance institutions reach out to church projects.
The least mentioned were bursaries for students in church sponsored institutions, employment of teachers and consulting / listening to the church in policy formulation that had 3% of the respondents in each category.

8.1 Summary

The purpose of this study was to guide the researcher in the collection of data, to identify the factors that influence the church's social activities by the churches, to assess the factors affecting the survival of the churches, to guide the researcher in the collection of data, to identify the factors that influence the church's social activities by the churches, to assess the factors affecting the survival of the churches.
CHAPTER FIVE

5.0 SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

Introduction

In this chapter, a summary of the entire study is given, the main findings of the study are summarised and salient conclusions drawn. Recommendations and areas of further research are also pinpointed.

5.1 Summary

The purpose of this study was to assess the factors that affect sustainability of church-based income generating activities in Dagoretti, Nairobi. Four objectives were set to guide the researcher in the collection of data. These were:

(a) To establish the type of income generating activities carried out by church organisations in Dagoretti

(b) To identify the factors that led to the establishment of income generating activities by the churches

(c) To assess the factors affecting sustainability of the income generating activities

(d) To come up with suggestions on how problems affecting these income generating activities can be dealt with
5.2 Summary of research findings

All the 30 churches perform their primary role of preaching the gospel to their members. According to Magnuson (1990), when a missionary called Raws started the Whosoever Gospel Mission in a former saloon in the year 1892, he featured only gospel services. Later, he became convinced that he must meet material needs also and he started various businesses which employed 8,000 people. It is also necessary to take care so that the income generating activities are not looked upon as the main reason for the existence of the church (Batchelor, 1981) The main reason for the church is primarily to preach the gospel.

The churches interviewed had at least one income generating activity. One church had a radio station, a primary school, retreat centre, and a multipurpose hall. Another church had a school, a university, a clinic and multipurpose hall. Majority of the churches had a primary school or a nursery school or both. It was also noted that the larger the church, the more the number of income generating activities carried out.

5.2.1 Types of income generating activities

The types of income generating activities identified are wide ranging. Majority of the churches had nursery and primary schools. Another major IGA is the multipurpose halls. The halls are leased out to members and other groups that need to conduct weddings, seminars and other social activities. Other forms of IGA were: hiring out of sound equipment, retreat centres, restaurant/catering services, clinics/hospitals, rental houses, tree nurseries, bookshop and a university.
85% of the churches that had started more than five years ago had income generating activities. Only 3.6% of the churches less than two years old had an income generating activity.

5.2.2 Factors that led to establishment of income generating activities

The majority of churches did not start the IGA as a source of income. Their main reason for starting the IGA was to provide service to the church members or to the community around it. Only 17% of the activities were started as a source of income.

The employees of the income generating activities are generally church members unless the skills required are not available in the church. Most of these organisations have maintained the same number of employees that they began with (63%). This means that they have not expanded or grown enough to sustain more employees. Only the income generating activities that had more than 3 employees at the start of the business had experienced an increase in number of employees. Although the employees are motivated by good remuneration, there is minimum training offered to them.

The market share claimed by most of the IGA was less than 25%. This could be caused by the fact that most of the businesses are not started with the profit-making motive but to provide a service to target communities. It is possible to improve this market share.
5.2.3 Factors affecting sustainability of the income generating activity

Majority of the churches adopt a democratic-participative style of management in their income generating projects (82%). This is because of the leadership style and not due to church tradition. Most of the respondents said the type of leader had an above average effect on the success of the church activities. According Hategeka (2001), one cause of churches facing imbalanced growth or lack of growth at all is poor leadership. Such a leader fails to equip the laity and to promote teamwork through involvement of the congregation members in church activities.

Most of the churches (90%) identified proximity to market as the factor that has enhanced the growth of their business. Only 17% felt that they had availability of finances to sustain the business. The results of a chi-square test showed that finance and age/experience had a effect on the sustainability of the business.

When asked if the financial records of the business show it to be sustainable, majority of the respondents said yes. This means that given the right conditions, the businesses are able to grow. 87% said they had plans to expand their businesses.

5.2.4 Suggestions on how problems faced by IGA can be solved

Financial problems were cited as the main hindrance to achievement of business goals. Need for land to establish their churches and businesses were another major hindrance.
The small number of church members can limit the ability of a church to start and income generating activity.

Most of the problems faced by these income-generating activities were financial and the respondents gave various suggestions in which the government could chirp in to help them cross over to more sustainable levels.

The largest number of respondents had the opinion that there should be more cooperation from the government in church based programs. Other suggestions included tax exemption or rebates, extension of labour laws to church workers, improvement of security and infrastructure, and bursaries for poor children.

5.3 Conclusions

There were various types of income generating activities carried out by church organisations in Dagoretti. These varied from one church to another. The most common type of income generating activity for a majority of the churches was schools and multipurpose halls. Other activities that are carried out by these churches are: hiring out of sound equipment, retreat centres, restaurant, transport services, clinic facilities, rental houses, loan facilities, tree nursery, bookshop, a university. The bigger the size of the church and the length of time since it started the more likely it is to have an income generating activity.

The majority of the churches get into income generating activities as a way of serving the community and its church members. Therefore, income generation was not their
main priority. Some of the bookshops only sold the bookshops written by the leaders of their church. With more entrepreneurial awareness, eg use of marketing principals, the investments would have more potential.

The churches primarily get their members to run the projects. Vacant posts are advertised in the church bulletins or announced in the church. Only the skills or qualifications not found among the members are sought outside the church. This means that there is limit to the managerial skills and abilities that is available to run these organisations. With a more professional staff, there could be better performance of the activities. Lack of finances may have hindered the hiring of this category of staff. A small number of the income generating activities had increased the number of employees since their time of inception. This means that the business growth has not been substantial enough to sustain increase in number of employees.

There is a significant relationship existing between finance as a performance factor and sustainability of the business. The relationship between age/experience and sustainability was also significant. Most of the businesses needed finance to boost their business activities. Other problems faced by the church organisations as they made efforts to generate funds from their internal sources included government bureaucracy and many regulations and poor marketing.
With more cooperation from the government and exploitation of the potential within the church organisations, it is possible for income generating activities carried out by church organisations to expand and be sustained.

5.4 Recommendations of the Study

In view of the foregoing discussions, the following recommendations arose from the study.

1. Church organisations need to organise micro finance and other savings’ programs so that more sources of funding can be made available for both the income generating programs and for the individual members of the organisations. Access to the capital and finance will enhance the growth and sustainability of income generating activities carried out by church organisations.

2. Many church organisations that have been in existence for over five years have the ability to start income generating activities but lack entrepreneurship skills and ideas. The leaders of the churches should organize seminars and other programs for their members to increase their entrepreneurship skills so that they can benefit from this knowledge. More interest can be made by church leadership into these type of seminars so that they can apply it to their different churches.
3 The church leaders in charge of the income generating activities need to apply a professional managerial approach in the running of their businesses without having to compromise their moral beliefs. Where possible, qualified personnel should be acquired to run the businesses more effectively. They should invest more in aggressive marketing and advertising of their activities so as to increase their market share and should not be contented with the less than 25% market share. Consultants can be approached to provide specialised advice so that the potential of the income generating project can be achieved.

4 More investment in the training of employees by church organisations would help the output of staff to be increased and also increase there morale.

5 There is need for more cooperation from the government in church based programs. For a long time the churches have carried out various development projects that have positive impact on the communities around them. The government can help sustain these programs by stepping in more to facilitate the projects so that they are more effective. For example the churches can be recipients of the district developments funds if they can provide project proposals to the district development committees.

6 Finally, church organisations need to realise their major role in development and creation of jobs through their investment in income generating activities. They
need to take an active position and role in investing in projects and activities that will generate income that will be used to run the organisations and also create wealth. As much as income creation is not their major objective, it is true that with effective businesses operating, more people will be able to benefit by being employed by these organisations and the standard of living improved.

5.5 Suggestions for further Research

The following are suggestions for further research arising from the findings and conclusions of the study that need to be looked into:

1. There is need to study the effect of other variables that affect the sustainability of church based income-generating activities. This research was limited to studying the impact of leadership, availability of finance, gender, age and cultural effects only. Other variables that can be looked into include size of the church, location of the church and source of funds.

2. There is also need to carry out an evaluation of the economic impact of the income generating activities carried out by church organisation so as to identify whether they can create wealth for the organisation and hence for the country.

3. In the course of this study, it was concluded that the majority of churches have started schools as an income generating activity. There
is need to investigate the reason for this tendency and to consider why they do not venture into other businesses like the retail trade.
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## TIME FRAME (appendix 2)

<table>
<thead>
<tr>
<th>Activity</th>
<th>Time</th>
</tr>
</thead>
<tbody>
<tr>
<td>Presentation of Concept</td>
<td>January 2005</td>
</tr>
<tr>
<td>Literature Review</td>
<td>Continuous</td>
</tr>
<tr>
<td>Commence writing of proposal</td>
<td>March 2005</td>
</tr>
<tr>
<td>Present proposal at the department</td>
<td>June 2005</td>
</tr>
<tr>
<td>Defence</td>
<td>June 2005</td>
</tr>
<tr>
<td>Fieldwork</td>
<td></td>
</tr>
<tr>
<td>Data collection</td>
<td>July 2005</td>
</tr>
<tr>
<td>Data Analysis</td>
<td>August 2005</td>
</tr>
<tr>
<td>Organising and checking of data collection</td>
<td>August 2005</td>
</tr>
<tr>
<td>Data processing and interpretation</td>
<td>August 2005</td>
</tr>
<tr>
<td>Writing down the report</td>
<td>August 2005</td>
</tr>
<tr>
<td>(i) Submission of the project report</td>
<td>September 2005</td>
</tr>
<tr>
<td>GRADUATION</td>
<td>October 2005</td>
</tr>
</tbody>
</table>
# BUDGET (Appendix 3)

## PROPOSAL PREPARATION

<table>
<thead>
<tr>
<th>ACTIVITY</th>
<th>COST (kshs)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Travelling</td>
<td>2,000</td>
</tr>
<tr>
<td>Library</td>
<td>500</td>
</tr>
<tr>
<td>Internet</td>
<td>500</td>
</tr>
<tr>
<td>Typing document</td>
<td>1,200</td>
</tr>
<tr>
<td>Photocopy and binding</td>
<td>1,000</td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td><strong>5,200</strong></td>
</tr>
</tbody>
</table>

## MAIN RESEARCH STUDY

<table>
<thead>
<tr>
<th>ACTIVITY</th>
<th>COST (kshs)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Travelling expenses for researcher and two assistants @ kshs 700 per day x 15 days</td>
<td>31,500</td>
</tr>
<tr>
<td>Stationary for questionnaires</td>
<td>4,000</td>
</tr>
<tr>
<td>Computer services for data analysis</td>
<td>5,000</td>
</tr>
<tr>
<td>Typing of report draft</td>
<td>3,000</td>
</tr>
<tr>
<td>Printing and binding of final draft (3 copies)</td>
<td>5,000</td>
</tr>
<tr>
<td>Other contingencies (miscellaneous)</td>
<td>5,000</td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td><strong>53,500</strong></td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>58,700</strong></td>
</tr>
</tbody>
</table>
TO WHOM IT MAY CONCERN:

Dear Sir/Madam,

RE: RESEARCH PROJECT: DATA COLLECTION

This is to confirm that the above named is an M.SC (Entrepreneurship) student in the School of Business, Kenyatta University, and she/he is embarking on her/his project this semester before she/he completes her/his degree programme.

Any assistance you may accord her/him will be highly appreciated.

DR. G. GONGERA
CHAIRMAN, BUSINESS ADMINISTRATION DEPARTMENT
Estimated Church Distribution in Nairobi by Division

DIVISION
1. Dagoretti
2. Embakasi
3. Kamukunji
4. Kasarani
5. Langata
6. Makadara
7. Starehe (Central Division)
8. Westlands

Fig. 12: Divisional boundaries of Nairobi Province

Church status in Nairobi Province

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of Divisions</td>
<td>8</td>
</tr>
<tr>
<td>Current number of Protestant Churches</td>
<td>1,097</td>
</tr>
<tr>
<td>Deficit number of churches at 2004</td>
<td>1,559</td>
</tr>
<tr>
<td>Deficit number of churches at 2010</td>
<td>2,143</td>
</tr>
</tbody>
</table>

Table 5: Current and deficit number of churches in Nairobi at 2004 and 2010
### Church attendance and number of churches in Nairobi

<table>
<thead>
<tr>
<th>Division</th>
<th>% Church Attendance</th>
<th>Urban Population At 2004</th>
<th>Expected Number of Churches At 2004</th>
<th>Current number of churches</th>
<th>Deficit at 2004</th>
<th>Urban Population By 2010</th>
<th>Expected Number of Churches By 2010</th>
<th>Deficit By 2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Dagoretti</td>
<td>14%</td>
<td>298,160</td>
<td>298</td>
<td>129</td>
<td>169</td>
<td>363,600</td>
<td>364</td>
<td>235</td>
</tr>
<tr>
<td>2 Embakasi</td>
<td>17%</td>
<td>539,127</td>
<td>539</td>
<td>234</td>
<td>305</td>
<td>657,454</td>
<td>657</td>
<td>423</td>
</tr>
<tr>
<td>3 Kamukunji</td>
<td>16%</td>
<td>250,681</td>
<td>251</td>
<td>94</td>
<td>157</td>
<td>305,701</td>
<td>306</td>
<td>212</td>
</tr>
<tr>
<td>4 Kasarani</td>
<td>11%</td>
<td>420,166</td>
<td>420</td>
<td>163</td>
<td>257</td>
<td>512,384</td>
<td>512</td>
<td>349</td>
</tr>
<tr>
<td>5 Langata</td>
<td>6%</td>
<td>355,471</td>
<td>355</td>
<td>189</td>
<td>166</td>
<td>433,490</td>
<td>434</td>
<td>245</td>
</tr>
<tr>
<td>6 Makadara</td>
<td>21%</td>
<td>244,759</td>
<td>245</td>
<td>65</td>
<td>180</td>
<td>298,479</td>
<td>298</td>
<td>233</td>
</tr>
<tr>
<td>7 Starehe (Central)</td>
<td>24%</td>
<td>291,258</td>
<td>291</td>
<td>99</td>
<td>192</td>
<td>355,184</td>
<td>355</td>
<td>256</td>
</tr>
<tr>
<td>8 Westlands</td>
<td>20%</td>
<td>257,375</td>
<td>257</td>
<td>124</td>
<td>133</td>
<td>313,863</td>
<td>314</td>
<td>190</td>
</tr>
<tr>
<td>Nairobi</td>
<td>16%</td>
<td>2,656,997</td>
<td>2,656</td>
<td>1,097</td>
<td>1,559</td>
<td>3,240,155</td>
<td>3,240</td>
<td>2,143</td>
</tr>
</tbody>
</table>

**Table 6: Church attendance and number of churches**

- The urban population for 2004 was calculated using urbanization ratios derived from *Datasheet on Population and Development Indicators from the 1999 Kenya Population and Housing Census (2002), Central Bureau of Statistics, Ministry of Planning and National Development, Nairobi, Kenya*. This is our source for all other urbanization projections used in this document.
- The rates of urbanization used in this document are assumed constant for 2004 and 2010, for purposes of estimation only.
### Appendix 7

**List of 30 sample churches with income generating activities, Dagoretti**

<table>
<thead>
<tr>
<th>Local church</th>
<th>Income generating activity</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>International Pentecostal Holiness Church</td>
<td>Secondary School</td>
<td>Riara</td>
</tr>
<tr>
<td>Dagoretti Corner Baptist Church</td>
<td>Primary school, secondary school, technical training college, automobile garage</td>
<td>Dagoretti Corner next to shopping centre</td>
</tr>
<tr>
<td>Dagoretti Corner Catholic Church</td>
<td>Computer college, teachers training, vocational centre</td>
<td>Dagoretti Corner, off Wanyee Road</td>
</tr>
<tr>
<td>Cornerstone Church</td>
<td>Kindergarten</td>
<td>Dagoretti Corner, next to Kenya Power &amp; Lighting</td>
</tr>
<tr>
<td>Deliverance Church Riruta</td>
<td>Kindergarten</td>
<td>Off Naivasha Road, Stage Maragoli</td>
</tr>
<tr>
<td>Deliverance Church Ngong road</td>
<td>Kindergarten</td>
<td>Wanyee Close, off Wanyee Road</td>
</tr>
<tr>
<td>Anglican Church, Kawangware</td>
<td>Kindergarten, canteen, bookshop</td>
<td>No 46 Route, stage Msalaba</td>
</tr>
<tr>
<td>Free Methodist Church, Kawangware</td>
<td>Primary school, rental houses</td>
<td>Muslim area, Kawangware</td>
</tr>
<tr>
<td>Catholic Church, St John the Baptist</td>
<td>Computer college, Kindergarten</td>
<td>Off Naivasha Road, after junction with Kikuyu</td>
</tr>
<tr>
<td>Riruta Baptist Church</td>
<td>Kindergarten</td>
<td>Satellite Shopping Centre</td>
</tr>
<tr>
<td>Nairobi Pentecostal Church, Ngong Road</td>
<td>Primary school</td>
<td>Off Ngong Road, near Posta stage, Adams Arcade</td>
</tr>
<tr>
<td>Catholic Church, Ngando</td>
<td>Clinic</td>
<td>Ngando/Lenana</td>
</tr>
<tr>
<td>Catholic Church, Waithaka</td>
<td>Loaning,</td>
<td>Mukarara Road, off Kikuyu Road</td>
</tr>
<tr>
<td>Kenya Assemblies of God Waithaka</td>
<td>Hire out sound equipment</td>
<td>Mukarara Road</td>
</tr>
<tr>
<td>PCEA Waithaka</td>
<td>Rental Houses</td>
<td>Mukarara Road</td>
</tr>
<tr>
<td>Anglican Church</td>
<td>Multipurpose Hall</td>
<td>Muthama, near Nembu Girls</td>
</tr>
<tr>
<td>Upendo Pentecostal Church</td>
<td>High school</td>
<td>Kawangware, muslim area</td>
</tr>
<tr>
<td>Organization</td>
<td>Type</td>
<td>Location</td>
</tr>
<tr>
<td>--------------------------------------</td>
<td>-----------------------------------------</td>
<td>---------------------------------</td>
</tr>
<tr>
<td>Free Pentecostal</td>
<td>School</td>
<td>Kawangware</td>
</tr>
<tr>
<td>Lovington United Church</td>
<td>School, guest house</td>
<td>Gatanga Road, Valley Arcade</td>
</tr>
<tr>
<td>Bread of Life, Ngando</td>
<td>School</td>
<td>Ngando</td>
</tr>
<tr>
<td>PCEA Kawangware</td>
<td>Rental house</td>
<td>Kawangware</td>
</tr>
<tr>
<td>New Testament Church</td>
<td>School</td>
<td>Kawangware</td>
</tr>
<tr>
<td>Huduma Church</td>
<td>School, vocational training</td>
<td>Route 56, Kawangware</td>
</tr>
<tr>
<td>Hope Centre, Baptist Lovington</td>
<td>School</td>
<td>Amboseli Estate</td>
</tr>
<tr>
<td>Church of the Nazarene</td>
<td>Nursery, multipurpose university, Clinic, and university</td>
<td>Ngong Road</td>
</tr>
<tr>
<td>Coptic Church</td>
<td>Hospital</td>
<td>Ngong Road</td>
</tr>
<tr>
<td>Winners Church</td>
<td>Small bookshop</td>
<td>Off Ngong Road, Adams Arcade</td>
</tr>
<tr>
<td>Jesus Wave International</td>
<td>Hiring out sound equipment</td>
<td>Ngong Road</td>
</tr>
<tr>
<td>African Gospel Church</td>
<td>Tree planting project, nursery school</td>
<td>Langata</td>
</tr>
<tr>
<td>Nairobi Pentecostal Church</td>
<td>Radio station, transport, retreat centre, multipurpose hall etc</td>
<td>Valley Road</td>
</tr>
</tbody>
</table>
**QUESTIONNAIRE**

1. **What is the name of your church?** (optional)  
   _________________________________________________

2. **What kind of activities, amongst the following, is the organisation involved in?**  
   a) Preaching the gospel [ ]  
   b) Helping the poor in society [ ]  
   c) Human rights [ ]  
   d) Income generating activities [ ]  
   e) Other (please specify) __________________________________________

3. **When was the church founded?**  
   a) Less than two years ago [ ]  
   b) More than two years ago [ ]  
   c) Less than five years ago [ ]  
   d) More than five years ago [ ]

4. **State the income generating activities that your organisation is engaged in:**  
   a) School [ ]  
   b) Multi-purpose hall [ ]
c) retreat centre [ ]

d) hiring out sound equipment [ ]

e) restaurant [ ]

f) transport [ ]

g) clinic [ ]

h) Other (please specify) [ ]

(ii) State reasons for starting the business activity.

5 For how many years has the business been going on?

a) Less than two years [ ]

b) Two years [ ]

c) Less than five years [ ]

d) More than five years [ ]

6 Where are the employees of the income generating activities recruited from?

a) church organisation members [ ]

b) Other (please specify) [ ]

7 How many employees did the income generating activity start with?
8  How many employees does the income generating activity have now?

   a) 0-10  [  ]
   b) 11-20  [  ]
   c) 21-30  [  ]
   d) 31-40  [  ]
   e) 41-50  [  ]
   f) Other (please specify)  

9  What are your employees' terms of service?

   a) Permanent  [  ]
   b) Temporary  [  ]
   c) Contract  [  ]
d) Casual

10. Are there other organisations doing similar business as your income generating activities in the area around you?

a) Yes
b) No

11. What is the estimate of your market share?

a) Less than 25%

b) Equal to 25%
c) More than 25%
d) Equal to 50%
e) Other (please specify)

12. How do you motivate your employees?

a) Training
b) Remuneration
c) Holidays
d) Fringe benefits
e) Other (please specify)

13. What style of management do you adopt for your organisation?
14 Why did you adopt this style of management?

a) church tradition [ ]
b) leadership style [ ]
c) Other (please specify) ________________________________

15 Highlight the factors that have enhanced your business growth and expansion

a) proximity to market [ ]
b) availability of finances [ ]
c) qualified personnel [ ]

c) Other (please specify) ________________________________

17 Please indicate the effect of the following factors on the performance of your business:

<table>
<thead>
<tr>
<th></th>
<th>Less than average</th>
<th>Average</th>
<th>More than average</th>
</tr>
</thead>
<tbody>
<tr>
<td>a) leadership</td>
<td>[ ]</td>
<td>[ ]</td>
<td>[ ]</td>
</tr>
</tbody>
</table>
b) finance [ ] [ ] [ ]
c) gender issues [ ] [ ] [ ]
d) cultural issues [ ] [ ] [ ]
e) Age/experience [ ] [ ] [ ]

18 According to the financial records, has the income generating activity/activities been able to sustain itself?
   a) Yes [ ]
   b) No [ ]

19 What is the future plan for the income generating activity?
   a) Expansion [ ]
   b) Diversify [ ]

20 What factors have hindered this business from achieving its goals?
   a) ________________________________

   ________________________________

   b) ________________________________

   ________________________________

21 How can the government assist in making income generating activities by church organisations more successful?