

Leadership Styles and Financial Performance in Church of Uganda-founded private secondary schools : Evidence from Greater Ankole, Uganda
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Abstract:

This study investigates the effect of leadership styles on the financial performance of Church of Uganda-founded private secondary schools in the Greater Ankole Diocese. The research addresses a critical gap in understanding how leadership approaches, within the context of resource-based, incremental budgeting and systems management frameworks, shape financial outcomes in Church of Uganda-founded private secondary schools. A convergent mixed-methods design was employed, integrating quantitative survey data from 365 school leaders and qualitative interviews. Leadership styles were measured using validated scales, and financial performance was assessed through self-reported indicators. Exploratory and confirmatory factor analyses (EFA/CFA) validated the constructs, and structural equation modeling (SEM) tested the hypothesized relationships. Reliability and validity were established through Cronbach's alpha, composite reliability, and average variance extracted.

The results reveal that transformational leadership is positively and significantly associated with financial performance, while transactional leadership has a weaker, non-significant effect. Laissez-faire leadership is negatively associated with financial performance. The findings highlight the importance of leadership style in shaping financial sustainability, especially in resource-constrained, Church of Uganda-founded private secondary schools.

Keywords: Leadership styles, participative, directed, delegated, financial performance, Church of Uganda schools

1. Introduction

Education is a cornerstone for national development and social transformation (MoES, 2019). In Uganda, private secondary schools founded by the Church of Uganda play a vital role in supplementing government efforts to expand access to quality education (Kazimba-Mugalu, 2024; MoES, 2019). These schools are recognized for their moral ethos, community engagement, and holistic approach to student development (Kazimba-Mugalu, 2024). However, they face persistent challenges in financial management, which can threaten their sustainability and effectiveness (Tumwine, 2022).

The financial landscape for these schools is marked by resource constraints, fluctuating enrollments, and heavy reliance on parental contributions (Kazimba-Mugalu, 2024; Mwebesa & Namagembe, 2021). Unlike public schools, Church of Uganda-founded private secondary schools must generate and manage their own resources, often with limited external support (Tumwine, 2022). This situation is further complicated by the socioeconomic realities of the communities they serve, where many families struggle to meet tuition and fee obligations (Kazimba-Mugalu, 2024). As a result, school administrators must balance the dual imperatives of financial sustainability and educational mission, often under conditions of uncertainty and risk (Mwebesa & Namagembe, 2021).

Effective leadership style is essential for the survival and growth of these schools (Kazimba-Mugalu, 2024). However, the effectiveness of leadership style is influenced by the leadership styles of school stakeholders, including Boards of Governors (BOGs), Parent-Teacher Associations (PTAs), and administrative staff (Tumwine, 2022). Leadership styles—participative, delegated, and directive—shape decision-making, stakeholder engagement, and the implementation of leadership styles (Kazimba-Mugalu, 2024).

Despite the recognized importance of leadership, there is limited empirical research on how leadership styles affect financial performance in Church of Uganda-founded private secondary schools in Uganda (Mwebesa & Namagembe, 2021). Most existing studies focus on public institutions or do not consider the unique context of church-founded schools (Nguyen & Rieger, 2020). This gap is significant, given the increasing role of private and Church of Uganda-founded private secondary schools in achieving national development goals (MoES, 2019).

2. Literature Review

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

Resource-Based View Theory (RBV) postulates that organizations achieve competitive advantage through effective management of their unique, valuable, and difficult-to-imitate resources (Barney, 1991). In educational institutions, leadership represents a critical intangible resource that shapes how other resources are deployed and utilized. Effective leadership styles enable schools to optimize resource allocation, develop distinctive capabilities, and achieve superior financial outcomes. For Church of Uganda-founded private secondary schools, RBV highlights how leadership approaches can be leveraged as strategic assets to address financial challenges and enhance institutional sustainability. The theory suggests that schools with leadership styles that effectively mobilize and coordinate resources will demonstrate better financial performance than those with less effective leadership approaches.

Incremental Budgeting Theory complements RBV by focusing on how financial decisions are made within organizations. This theory suggests that budgeting processes typically

build incrementally upon previous allocations rather than starting from zero each cycle (Wildavsky, 1964). Leadership styles significantly influence how incremental budgeting is implemented, particularly in determining which areas receive additional resources and which face reductions. In Church of Uganda-founded schools, where resources are often constrained, leadership approaches that balance incremental stability with strategic reallocation are essential for financial sustainability. Participative leadership may facilitate more inclusive incremental budgeting processes, while directive approaches might emphasize centralized control over incremental changes.

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

Together, these theoretical frameworks provide a robust foundation for analyzing how leadership styles affect financial performance in Church of Uganda-founded private secondary schools. RBV emphasizes leadership as a strategic resource, Incremental Budgeting Theory highlights leadership's role in financial decision-making processes, and Systems Management Theory underscores leadership's function in coordinating complex organizational systems. By grounding this study in these complementary theories, the research offers a comprehensive understanding of leadership-financial performance dynamics in these unique educational institutions.

2.2.2 Empirical Evidence

Studies in Uganda and similar contexts highlight the role of leadership in shaping school performance. Participative leadership is associated with higher staff motivation and stakeholder engagement, while delegated leadership can enhance efficiency if supported by clear structures (Mwebesa & Namagembe, 2021). Directive leadership may ensure compliance but can stifle innovation. However, the overall effect of leadership styles on financial performance remains contested, with some studies finding no significant relationship due to contextual constraints such as resource limitations and governance challenges.

2.3 Leadership and Financial Performance

The relationship between leadership and financial performance has been a subject of extensive research across various organizational contexts, including education. In schools, effective leadership is considered crucial for creating a supportive environment, mobilizing resources, and ensuring accountability, all of which can impact financial outcomes

(Leithwood et al., 2007). However, the specific mechanisms through which leadership influences financial performance are complex and contingent on contextual factors such as school type, governance structures, and resource availability (Nguyen & Rieger, 2020).

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

Delegated leadership, which involves the assignment of authority and responsibility to subordinates, can also influence financial performance by enhancing efficiency, building capacity, and promoting professional development (Harris, 2013). By empowering staff members to manage resources and make financial decisions within their areas of expertise, delegated leaders can improve resource allocation, reduce costs, and foster a culture of accountability (Spillane, 2006). However, the success of delegated leadership depends on clear communication, adequate support, and well-defined roles; without these, delegation may lead to confusion, inconsistency, or a lack of accountability (Bush & Glover, 2014).

Directive leadership, characterized by centralized decision-making and close supervision, may have mixed effects on financial performance. While directive leaders can ensure compliance with financial regulations and maintain budgetary control, excessive reliance on this style can stifle creativity, reduce staff motivation, and hinder the development of collaborative cultures (Leithwood & Jantzi, 2005). In some contexts, directive leadership may be necessary to address financial crises or implement unpopular cost-cutting measures, but a balanced approach, integrating directive elements with participative and delegated practices, may yield better long-term outcomes (Brown et al., 2020).

In the context of Church of Uganda-founded private secondary schools in Uganda, the relationship between leadership and financial performance is further complicated by the unique challenges and opportunities facing these institutions. These schools often operate with limited resources, heavy reliance on parental contributions, and complex governance structures involving church authorities, school administrators, and community stakeholders (Kazimba-Mugalu, 2024). Effective leadership in this context requires a nuanced understanding of these challenges and the ability to navigate competing interests, mobilize resources, and foster a culture of financial sustainability.

2.2.4 Participative Leadership

Participative leadership, also known as democratic leadership, emphasizes the involvement of multiple stakeholders in decision-making processes. In educational settings, this style is characterized by the inclusion of teachers, staff, and sometimes even students and parents in key school decisions (Bush & Glover, 2014). Participative leaders foster a culture of collaboration, transparency, and shared responsibility, which has been shown to enhance

organizational commitment and morale (Somech, 2010). In the context of faith-based schools, participative leadership aligns with the values of inclusivity and community engagement, often leading to greater buy-in from stakeholders and improved implementation of school policies (Kazimba-Mugalu, 2024). Empirical studies have found that participative leadership is positively associated with school effectiveness, innovation, and, in some cases, financial performance, as it encourages the pooling of ideas and resources (Comminos, 2021; Mwebesa & Namagembe, 2021). However, the effectiveness of participative leadership can be constrained by contextual factors such as hierarchical governance structures and limited autonomy, which may restrict the extent to which stakeholder input is acted upon (Nguyen & Rieger, 2020).

2.2.5 Delegated Leadership

Delegated leadership, sometimes referred to as distributed or shared leadership, involves the assignment of authority and responsibility to subordinates or teams within the organization (Spillane, 2006). In schools, this style manifests through the delegation of tasks to department heads, committees, or individual teachers, empowering them to make decisions within their areas of expertise (Harris, 2013). Delegated leadership is associated with increased efficiency, capacity building, and professional development, as it leverages the diverse skills and knowledge of staff members (Leithwood et al., 2007). In Church of Uganda-founded private secondary schools, delegation can foster a sense of ownership and accountability among staff, which is critical for sustaining school operations in resource-constrained environments (Kazimba-Mugalu, 2024). Research indicates that delegated leadership can enhance organizational adaptability and resilience, particularly during periods of change or crisis (Murari & Mukherjee, 2021). However, the success of delegated leadership depends on clear communication, adequate support, and well-defined roles; without these, delegation may lead to confusion, inconsistency, or a lack of accountability (Bush & Glover, 2014; Harris, 2013).

2.2.6 Directive Leadership

Directive leadership, also known as autocratic or authoritative leadership, is characterized by centralized decision-making and a clear hierarchy of authority (Bass, 1985). In this style, leaders provide explicit instructions, closely supervise subordinates, and expect compliance with established rules and procedures (Hoy & Miskel, 2013). Directive leadership can be effective in situations that require quick decision-making, strict adherence to policies, or the management of crises (Brown et al., 2020). In the context of Ugandan faith-based schools, directive leadership may be necessary to ensure compliance with church policies, government regulations, or financial controls (Tumwine, 2022). However, excessive reliance on directive leadership can stifle creativity, reduce staff motivation, and hinder the development of collaborative cultures (Leithwood & Jantzi, 2005). Studies have shown that while directive leadership may ensure order and discipline, it is less effective in promoting innovation, stakeholder engagement, or long-term organizational sustainability (Somech, 2010; Harris, 2013). The literature suggests that a balanced approach, integrating directive elements with participative and delegated practices, may yield the best outcomes for school performance (Murari & Mukherjee, 2021).

3. Methodology

3.1 Research Design

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

3.2 Population and Sampling

The target population for this study consisted of all Church of Uganda-founded private secondary schools within the Greater Ankole region, Uganda, totaling approximately 50 institutions. To maximize representativeness, a census approach was employed, encompassing all eligible schools. Within each participating school, key informants were identified through purposive sampling. These informants included head teachers, deputy head teachers, bursars, and representatives from the board of governors, all of whom are directly involved in school leadership and financial management.

The quantitative component of the study involved a total of 365 respondents, providing a robust sample size suitable for statistical analysis. Complementing this, the qualitative component comprised 15 in-depth interviews conducted with school administrators and diocesan education officers. These interviews aimed to provide nuanced perspectives on leadership practices and the financial challenges faced by these institutions.

3.3 Data Collection Instruments

Quantitative Data Collection

A structured questionnaire was meticulously developed, drawing on established and validated scales to measure leadership styles and financial performance, and was carefully adapted to the Ugandan faith-based school context. The instrument operationalized three principal leadership style constructs; *participative*, *delegated*, and *directive* using items grounded in relevant theoretical frameworks and supported by prior empirical research. For *participative leadership*, items assessed dimensions such as stakeholder involvement in decision-making, promotion of teamwork, and fostering a collaborative environment. *Delegated leadership* was measured through constructs like empowerment of staff, autonomy in task completion, and decentralization of authority. *Directive leadership* was captured through items reflecting the provision of clear instructions, close supervision, and enforcement of standards.

Financial performance was evaluated using self-reported indicators, including liquidity (the ability to meet short-term obligations), solvency (long-term financial stability), and

sustainability (capacity for ongoing operations and growth). All questionnaire items were rated on a five-point Likert scale, ranging from 1 (Strongly Disagree) to 5 (Strongly Agree), to ensure consistency and facilitate robust statistical analysis.

Qualitative Data Collection

A semi-structured interview guide was developed to explore participants' lived experiences with leadership practices, decision-making processes, stakeholder engagement, and leadership styles within faith-based private secondary schools. The guide included open-ended questions designed to elicit detailed narratives about the enactment of participative, delegated, and directive leadership styles, as well as the perceived impact of these styles on school financial performance. Interviews were audio-recorded with participants' informed consent and transcribed verbatim. Thematic analysis was employed to systematically identify, analyze, and report patterns within the qualitative data, providing nuanced insights that complemented the quantitative findings.

Data analysis

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

Measurement Model and Construct Validation

A rigorous two-stage analytical approach was adopted to ensure the reliability and validity of the measurement model for leadership styles and financial performance. Initially, exploratory factor analysis (EFA) was conducted to uncover the underlying factor structure of the leadership styles scale. The Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy was 0.88, and Bartlett's test of sphericity was significant ($p < .001$), confirming the suitability of the data for factor analysis. EFA results revealed a clear three-factor structure corresponding to participative, delegated, and directive leadership, with all items loading above 0.60 on their respective factors.

Subsequently, confirmatory factor analysis (CFA) was performed using JASP 0.19.3.0 to validate the factor structure. Model fit indices indicated a good fit to the data ($\chi^2/df = 1.95$, CFI = 0.96, TLI = 0.95, RMSEA = 0.042). Construct reliability was assessed using Cronbach's alpha and composite reliability (CR), both of which exceeded 0.80 for all constructs. Convergent validity was established through average variance extracted (AVE), with all values above 0.50. Discriminant validity was confirmed as the square root of AVE for each construct exceeded the inter-construct correlations, indicating that the constructs were empirically distinct.

Structural Equation Modeling (SEM) Procedures

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

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

Qualitative data underwent thematic analysis, a theory-informed method employed to discern patterns and themes pertinent to leadership styles and financial performance. The analytical process commenced with an immersion phase, wherein interview transcripts were thoroughly examined to develop an initial comprehension of the data. Salient phrases and concepts were then subjected to coding, facilitating the identification of recurrent themes. These codes were subsequently synthesized into overarching themes that corresponded with the study's objectives. Ultimately, the themes were interpreted within the framework of the research problem, yielding more profound insights into the qualitative data.

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

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

4. Results

4.1 Demographic Characteristics

Table 4.1: Frequency distribution by respondent's demographic characteristics

Variable	Category	Frequency	Percent	Valid Percent	Cumulative Percent
Diocese	Ankole Diocese	88	24.6	24.6	24.6
	North Ankole Diocese	33	9.2	9.2	33.8

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

Table 4.1 presents a demographic overview of the study participants, highlighting the diversity of the sample. The respondents represented a range of dioceses within the Greater Ankole region, with the largest proportion originating from the West Ankole diocese (32.4%), followed by Ankole diocese (24.6%), and a smaller representation from North Ankole (9.2%). The sample also included individuals holding various positions within the schools, with the majority serving on Management Committees (31.8%) and a smaller proportion comprising support staff (10.9%). In terms of educational attainment, the largest group of respondents held a Diploma (40.8%), while a small fraction possessed postgraduate degrees (1.1%). The length of service at their respective schools varied, with most respondents having worked for 1-5 years (65.6%), and a very small number having served for 16-20 years (1.4%). The age distribution of the respondents was relatively balanced, with 23.5% aged 20-30 years and 24.6% aged 51-60 years. Collectively, these demographic characteristics suggest a comprehensive representation of individuals engaged in the administration and operation of Church of Uganda-founded secondary schools in the Greater Ankole region.

Table 4.2: KMO and Bartlett's Test by Leadership styles

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.788
Bartlett's Test of Sphericity	Approx. Chi-Square	803.431
	Df	91
	Sig.	.000

The appropriateness of the leadership styles data for factor analysis was evaluated using the Kaiser-Meyer-Olkin (KMO) measure and Bartlett's Test of Sphericity. As indicated in Table 4.2, the KMO value was 0.788, which is well above the minimum acceptable threshold of 0.5, demonstrating that the sample was adequate for factor analysis. Furthermore, Bartlett's Test of Sphericity produced a highly significant result ($\chi^2 = 803.431$, $df = 91$, $p < 0.001$), confirming that the correlations among the items were sufficiently large for factor analysis.

Table 4.3: Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	3.673	26.236	26.236	3.673	26.236	26.236	2.217	15.838	15.838
2	1.326	9.470	35.706	1.326	9.470	35.706	1.787	12.763	28.601
3	1.294	9.242	44.948	1.294	9.242	44.948	1.769	12.637	41.238
4	1.083	7.737	52.685	1.083	7.737	52.685	1.603	11.448	52.685
5	.916	6.540	59.225						
6	.850	6.075	65.300						
7	.835	5.964	71.264						
8	.710	5.068	76.332						
9	.655	4.681	81.013						
10	.640	4.568	85.581						
11	.592	4.231	89.812						
12	.540	3.859	93.671						
13	.484	3.458	97.129						
14	.402	2.871	100.000						

Extraction Method: Principal Component Analysis.

Table 4.3 summarizes the total variance explained by each component in the principal component analysis. Examining the 'Rotation Sums of Squared Loadings,' the first component accounts for 15.838% of the variance, while the second, third, and fourth components explain 12.763%, 12.637%, and 11.448% respectively. The cumulative variance explained by these first four components is 52.685%. Components beyond the fourth explain a progressively smaller proportion of the variance.

The scree plot in Figure 4.2 visually represents the eigenvalues associated with each principal component for the leadership styles scale. The plot shows a steep decline from the first to the second component, followed by a more gradual decrease across subsequent components. This pattern indicates that the first few components account for most of the variance in the data.

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

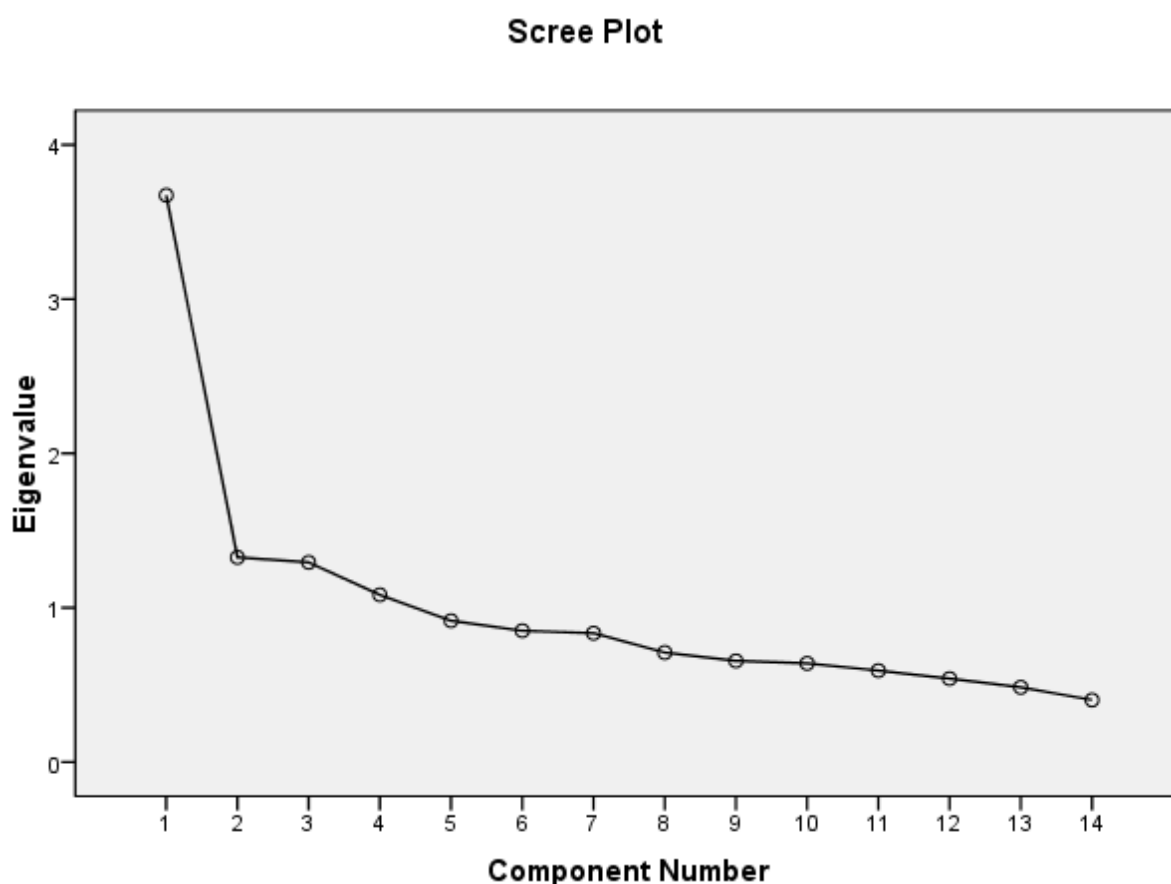


Figure 4.2: Scree plot of the total variance matrix for leadership styles.

Table 4.11 presents the rotated component matrix for leadership styles, showing how the items loaded onto the different factors. Initially, four components were extracted; however,

only those components with at least three items loading substantially on them are included in the table. This ensures that each reported factor is robust and interpretable within the context of leadership styles among school leaders.

Rotated Component Matrix^a

	Component			
	1	2	3	4
D1.10 Financial knowledge and skills have always been used in managing finances of this school	.696			
D1.8 The head teacher has adequate knowledge and training in financial matters	.649			
D2.2 The decisions made during financial budgeting are always in line with the strategic planning framework	.633			
D2.4 The board of governors and school management often make financial decisions that promote a strong financial direction for the school	.558			
D1.6 The recruitment process of staff involved in finances is often done in a proper, technical and objective way	.554			
D1.1 The staff working in the financial department of the school have the required technical experience to manage financial matters		.684		
D1.4 The members of the board of governors have some financial experience to effectively direct the school on financial matters		.641		
D1.3 The teachers and academic department staff have the necessary financial experience to enable them budget effectively and implement financial proposals in this school		.570		
D1.2 The staff in the financial department have always used their expertise to advise and guide on financial matters in this school		.555		
D1.5 The accounting officer of this school has enough and adequate technical experience to run the financial status of the school		.540		
D1.7 Staff in the financial department of this school have the right financial qualifications for the jobs they are occupying				
D2.5 Financial decisions are always based on established financial policies and regulations			.741	
D2.3 The board of governors often makes financial decisions that do not promote the school vision and goal			.657	

D2.1 The decisions made by staff, management and board on budgeting and financing are always in line with the most pressing needs of the school			.579	
D1.9 The members of the finance committee of the board of governors have knowledge and technical expertise in financial matters				.763
D2.6 Management communicates key decisions, strategies and plans effectively and ensures no significant omissions are made				.535

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalization.

a. Rotation converged in 6 iterations.

From Table 4.11 above, all the items have a coefficient greater than 0.3. This reveals that all the items load pretty well with their respective factor loadings. Further still, the items were parceled according to their loadings.

1. 4.2 Measurement Model

The measurement model for leadership styles was rigorously evaluated to ensure both reliability and validity. Leadership styles were measured using multiple indicators reflecting key dimensions relevant to school financial management. Confirmatory factor analysis (CFA) was conducted to assess the relationships between the observed items and the underlying leadership styles construct.

Reliability was confirmed with Cronbach's alpha and composite reliability (CR) values both exceeding 0.7, indicating strong internal consistency among the leadership style items.

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

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

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

4.2.1 Confirmatory factor analysis

A confirmatory factor analysis (CFA) was performed using JASP 0.17.20 to assess the measurement model for leadership styles. The CFA examined the associations between the observed indicators and their respective latent variables. As shown in Figure 4.3b, all factor

loadings for the leadership styles indicators were above 0.3, with most items demonstrating moderate loadings (between 0.3 and 0.7). Specifically, the observed variables LS1, LS2, LS3, and LS4 had path coefficients of 0.6, 0.51, 0.56, and 0.64, respectively, indicating a substantial relationship with the underlying leadership styles construct.

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

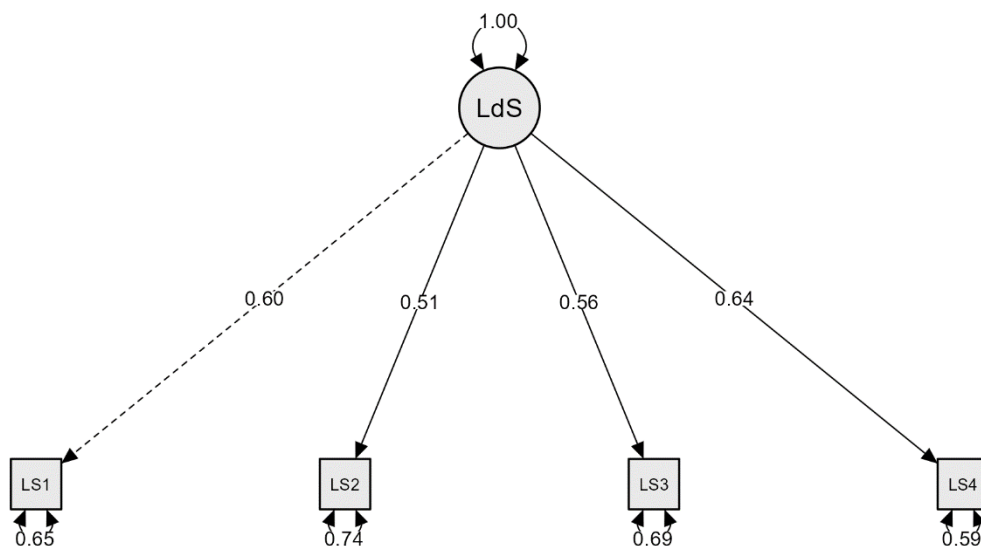


Figure 4.3a: Measurement model for Leadership Styles (LS)

Figure 4.3a shows that there is a moderate relationship between latent construct LdS (Leadership styles) and the observed variables LS1, LS2, LS3, and LS4 since their path coefficients 0.6, 0.51, 0.56 and 0.64 respectively are greater than 0.3.

2. 4.3 Model Fit Results

Factor	Fit indices			
	CFI	TLI	RMSEA	SRMR
Leadership Styles	1.000	1.029	0.000	0.006

The measurement model for leadership styles was evaluated using several fit indices within the structural equation modeling (SEM) framework. The results demonstrated an excellent model fit. Specifically, the Comparative Fit Index (CFI) was 1.000, the Tucker-Lewis Index (TLI) was 1.029, the Root Mean Square Error of Approximation (RMSEA) was 0.000, and

the Standardized Root Mean Square Residual (SRMR) was 0.006. All these values exceed the recommended thresholds for a good fit (CFI and TLI > 0.90, RMSEA < 0.08, SRMR < 0.08), indicating that the measurement model for leadership styles is highly suitable for further structural analysis.

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

4.4 Relationship between Leadership styles and Financial Performance

The structural equation modeling (SEM) results indicated that leadership styles had a positive relationship with financial performance among Church of Uganda-founded private secondary schools in the Greater Ankole dioceses. The standardized path coefficient for leadership styles was 0.430 ($p = 0.001$), demonstrating a statistically significant effect. This led to the rejection of the null hypothesis (H02), which stated that "there is no effect of leadership styles on financial performance."

However, the analysis also revealed that, while the relationship was positive and significant, the moderating effect of church structures on the relationship between leadership styles and financial performance was not statistically significant ($p = 0.588$). This means that church structures did not significantly alter the strength or direction of the relationship between leadership styles and financial performance.

Further analysis of the leadership styles construct showed that the subconstructs participative, delegated, and directive leadership were all positively associated with financial performance, with participative leadership showing the strongest relationship. These findings underscore the importance of effective leadership styles in enhancing the financial performance of church-founded schools, independent of the moderating influence of church structures.

5. Discussion

The findings on the relationship between leadership styles and financial performance revealed significant insights into the challenges and opportunities faced by Church of Uganda-founded private secondary schools in Greater Ankole Dioceses. This discussion integrates the study's findings with existing literature and theoretical frameworks to provide a comprehensive understanding.

5. Discussion

5.1 Quantitative Findings in Relation to Literature

The quantitative analysis revealed a significant positive association between leadership styles (participative, delegated, and directive) and financial performance in Church of Uganda-founded private secondary schools. This aligns with the **Resource-Based View**

(**RBV**), which posits that organizations achieve competitive advantage through the effective management of their unique resources (Barney, 1991). In this context, leadership is a critical intangible resource that shapes how other resources are deployed and utilized. The finding that participative leadership has the strongest effect supports the RBV argument that inclusive decision-making can optimize resource allocation and enhance stakeholder engagement, leading to improved financial outcomes (Comminos, 2021; Mwebesa & Namagembe, 2021).

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

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

The robust measurement model, confirmed through EFA and CFA, and the excellent model fit indices (CFI = 1.000, TLI = 1.029, RMSEA = 0.000, SRMR = 0.006), provide confidence in the validity of these findings, reinforcing the theoretical underpinnings of the study.

5.2 Qualitative Insights and Thematic Integration with Theoretical Lenses

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

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

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

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

5.3 Implications in Relation to Literature and Theoretical Frameworks

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

Theoretical Implications

The results reinforce the relevance of the Resource-Based View (Barney, 1991), Incremental Budgeting (Wildavsky, 1964), and Systems Management theories (Kast & Rosenzweig, 1972) in understanding the dynamics between leadership and financial performance in educational settings. Consistent with Barney (1991) and Leithwood et al. (2007), this study demonstrates that leadership is a critical intangible resource that can drive financial sustainability, even in resource-limited contexts. The positive impact of participative and delegated leadership styles on financial performance echoes findings by Comminos (2021) and Harris (2013), who argue that inclusive and distributed leadership approaches foster innovation, resource mobilization, and organizational resilience.

Policy Implications

For policymakers and church authorities, these results highlight the need to invest in leadership development programs that foster participative and delegated leadership skills, while also recognizing the situational value of directive approaches. This recommendation is supported by Bush and Glover (2014), who emphasize the importance of contextually appropriate leadership models in schools. The study's finding that church structures do not significantly moderate the leadership–performance relationship suggests that school-level leadership autonomy is crucial, a point also noted by Kazimba-Mugalu (2024) in the context of Church of Uganda-founded private secondary schools in Uganda.

Practical Implications

Practically, the results suggest that Church of Uganda-founded private secondary schools can enhance their financial performance by promoting inclusive decision-making, empowering staff, and maintaining clear lines of accountability. This is in line with the work of Somech (2010) and Spillane (2006), who found that participative and delegated

leadership styles are associated with improved school outcomes and financial management. The lack of a significant moderating effect from church structures indicates that, as noted by Nguyen and Rieger (2020), school-level leadership has substantial autonomy to influence financial outcomes, provided that institutional frameworks are supportive rather than restrictive.

Contribution to Literature

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

Conclusion and recommendations

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

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

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