

ABSTRACT

This master thesis titled “Corporate governance in Faith Based Organizations (FBOs) a case of the North Western Diocese of the Evangelical Lutheran church in Tanzania” was the idea that developed as the result of the researcher’s interest in the study of corporate governance. The research was conducted in the North Western Diocese (NWD) of the Evangelical Lutheran Church in Tanzania. The main aim was to analyze the practice of corporate governance in FBOs and suggest the best practice in the ELCT North Western Diocese in Tanzania.

Due to COVID-19 challenges, the researcher was not able to apply all methods of data collections such as interview and observation instead he applied only questionnaire to correct data from the purposely sampled institutions of the NWD in order to answer the research questions. The visited institutions include schools, hospitals, colleges, and diaconic centre and health centers. The data collected were analyzed in a proper way to match the research questions. And the after the discussion and recommendations were given.

It was found that, the corporate governance is practiced in all visited institutions. The constitution of the North Western Diocese provides the baseline for institutions governance. The governing bodies and the management are in place. But, all governing bodies are advisory which limits their authority in governing their institutions. The board processes take place with few challenges. The practice of corporate governance differ from one institution to another due to nature of business and the size of the institutions. It was also found that all visited institutions operate in St Gallen’s management model even though they are not aware of the model.

Therefore, the researcher recommends that for proper corporate governance practice the church (owner) should apply the South African King IV Report of 2016 on corporate governance. This research entails how the governing body should be formulated, its roles, and principles and how should the board processes be. He further recommends that for proper management practices the managers always adhere to the St Gallen’s management model in daily to daily activities.