

December 2003

Does Strategic Planning Help Churches?: An Exploratory Study

Amit J. Shah
Frostburg State University

Fred R. David
Francis Marion University

Zigmont J. Surawski III

Follow this and additional works at: <https://digitalcommons.coastal.edu/cbj>



Part of the [Advertising and Promotion Management Commons](#), [Curriculum and Instruction Commons](#), [E-Commerce Commons](#), [Economics Commons](#), [Higher Education Commons](#), [Hospitality Administration and Management Commons](#), [Marketing Commons](#), [Real Estate Commons](#), [Recreation Business Commons](#), and the [Tourism and Travel Commons](#)

Recommended Citation

Shah, Amit J.; David, Fred R.; and Surawski, Zigmont J. III (2003) "Does Strategic Planning Help Churches?: An Exploratory Study," *The Coastal Business Journal*: Vol. 2 : No. 1 , Article 4.
Available at: <https://digitalcommons.coastal.edu/cbj/vol2/iss1/4>

This Article is brought to you for free and open access by the Journals and Peer-Reviewed Series at CCU Digital Commons. It has been accepted for inclusion in The Coastal Business Journal by an authorized editor of CCU Digital Commons. For more information, please contact commons@coastal.edu.

Does Strategic Planning Help Churches?: An Exploratory Study

Amit J. Shah, Frostburg State University
Fred R. David, Francis Marion University
Zigmont J. Surawski, III

ABSTRACT

Many organizations in both the profit and not-for-profit arenas have discovered the benefits of strategic planning. An increasing number of churches and ministries are applying the principles of strategic planning (Clinton, Williams, & Stevens, 1995). In the 1990s, organizations including churches...are playing "Jeopardy" if they do not have strategic plans in place (Maes, 1998). This research examines to what extent strategic planning is being used among churches. Data was gathered through distribution of a survey mailed to churches in South Carolina. The pastor of each church personally completed the survey and returned it via e-mail, postal service, or fax. Initial findings indicate a positive relationship between formal planning and growth rates of membership and finances. The findings indicate that churches using strategic planning experience greater growth in both attendance and finances.

INTRODUCTION

Business organizations and not-for-profit organizations have for years enjoyed the benefits of strategic planning. Formal planning has helped mobilize and motivate organizations in the achievement of goals and objectives. By utilizing a more logical, systematic, and objective approach, these organizations are more proactive than reactive in shaping their own future. The strategic plan serves as a roadmap by which the organization can visualize where they are going and how to get there. Churches can realize the same benefits.

There has been reluctance on the part of church leaders to adopt formal planning. Reasons for this include a lack of training in the planning process and a belief that planning is not biblical or indicates a lack of faith. A study by Aukerman (1991) showed that pastors, lay leaders, and seminary professors ranked planning and administrative/management skills 39th, 40th, and 43rd respectively out of a list of 49 skills. The Bible encourages planning and the involvement of others in the process, as noted in the following four scripture verses:

- Where there is no vision, the people will perish.... (Proverbs 29:18)
- Without counsel, plans go awry, but in the multitude of counselors, they are established. (Proverbs 15:22)
- Listen to counsel and receive instruction, that you may be wise in your latter days. (Proverbs 19:20)
- Plans are established by counsel: by wise counsel wage war. (Proverbs 20:18)

Refusal to utilize formal planning has caused frustration for many church leaders. Lack of planning is noted in the perceived inability of many churches to meet the needs of their congregation and others ministered to by the church. Poor planning or a lack of planning can be attributed as the cause for many churches' failures in achieving their ministerial and organizational goals. To compound this problem, many churches today are facing declining membership and attendance levels as numerous activities divert individuals away from church. Many former churchgoers feel that church is out of touch with them and has not responded to their needs. Strategic planning can be used to stem this negative trend. A church should identify the needs of the community; set goals for meeting those needs, and formulate a plan for achieving those goals.

LITERATURE REVIEW

The writers and researchers have covered the topic of strategic planning in the business sector extensively. It is now becoming more common to find writers that have applied these principles to nonprofit organizations, especially churches. Strategic planning is becoming more popular in churches as they seek ways to improve their ministries and to provide direction (Clinton, Williamson, and Stevens, 1995).

Church leaders are finding that they lack the skills and knowledge to implement the planning process. A survey of church pastors conducted to identify the continuing education needs of pastors in the areas of leadership and management skills identified strategic planning as the highest rated topic (Stevens, Loudon, and Paschal, 1996).

The same definitions of strategic planning that are used in the business sector can be applied to churches. A church specific definition is provided by Van Auken (1989) who described planning as the process of turning vision into reality. Planning is a partnership between you and God in which supernatural power can be channeled through the human efforts of a committed ministry team. Clinton, Williamson, and Stevens (1995) describe the strategic management process as it relates to the church as a managerial process that involves matching ministry capabilities to ministry opportunities.

Gangel (1989) indicated that the only way a church can effectively achieve its goals is if church leaders actively engage in the tasks or process of planning. He also stated "the development of goals in a church or any Christian organization must be accompanied by the development of a plan whereby those goals can be achieved" (p.16).

A leader must facilitate the strategic planning process. The pastor, as the leader of a church, is the most logical choice to perform this function. To be a successful leader, the pastor should incorporate the creation of a focused vision or agenda; clearly communicate that vision and its implicit and explicit meaning, and trust in the vision or agenda as well as the people who can accomplish it (Bennis, 1985). George (1992) likens the pastor of a church to the CEO in a business organization. The CEO's major influence comes through vision casting. A study conducted by Kegin (1991) explored the interaction between ministry success and the presence of leadership and management skills (including planning) in pastors. His findings indicated that there was a

significant correlation between effective ministries and pastors who have been trained in and have applied management and leadership skills.

Protestant churches (Methodists, Presbyterians, Congregationalists, Episcopalians, Etc.) on average lost between one-fifth and one-third of their membership between 1965 and 1990. To stem this decline, some of these denominations are giving high priority to new church development, and if these programs are well planned and well executed, the membership loss may be slowed or reversed (Johnson, Hoge, and Luidens, 1993).

Churches that utilize formal planning are finding that growth rates improve as visioning and planning are used. Bill Hybels is the senior and founding pastor of Willow Creek Community Church in South Barrington, Illinois, a church that has seen a 20 percent increase in attendance in the past five years. He holds an annual vision-casting sermon to share the church's vision with the congregation. In his January 2000 vision-casting sermon, he explained the church's plans for the next 25 years, and how they will reach people locally, regionally, and around the world (Reed, 2000). This church has experienced first-hand the results of formal strategic planning.

The Bible instructs a church to serve in a diversity of activities. The Great Commission directs evangelism; other references mention discipleship, and helping the sick, needy, homeless, etc. In order to meet these needs, the leaders of a church need to identify or clarify their specific mission (Cheatham and Cheatham, 1995). The church has a limited amount of resources with which to address these directives. A church must have a well-defined mission and a set of basic objectives in order to allocate their resources efficiently. When a church plans, it is committing itself to God's work (Brown, 1984).

A church is more likely to have an effective ministry when its members are aware of and thoroughly familiar with the church's 'reason for being.' Everything a church does should begin with and reflect the stated purpose of the church (Rusbult, Gladden, and Green, 1980).

Effective planning is critical to the success of any organization, including a church. It is well documented in the for-profit sector that formalized planning is an important success factor in goal achievement (Burns and Hunt, 1995). This study investigates the effect of strategic planning on church growth, attendance, and financial condition in churches in the Florence, South Carolina area.

HYPOTHESES

Based on the literature review, three hypotheses were established and tested as follows:

H1. Churches that practice strategic planning experience greater improvements in attendance.

H2. Churches that practice strategic planning experience greater improvements in financial condition.

H3. Strategic planning is practiced more in larger churches.

RESEARCH METHODOLOGY

As provided in Table 1, a survey was used in this research to examine the extent that strategic planning is used in area churches and to examine relationships between strategic planning and church growth, attendance, and financial condition. The survey was mailed to fifty churches in the Florence, South Carolina area. The pastor of each church completed the survey and returned it via e-mail, postal service, or fax. Of the fifty surveys mailed, 24 were returned (48 percent). The results of the survey were tabulated and entered into an Excel spreadsheet for analysis using nonparametric procedures.

FINDINGS AND IMPLICATIONS

As illustrated in Table 1, the responses for each question on the survey were tallied and calculated as a percentage. This analysis illustrates the responses for all of the churches that returned a survey. Further analysis of responses separated by categories was undertaken. As indicated in Table 1, 87.5 percent of the sample churches engage in strategic or long range planning.

Table – 1
Church Strategic Planning Survey
(Percentage Results)

1. Does your church engage in strategic or long range planning?
87.5% yes, 12.5% no
2. If yes, does the church have a formal (written) strategic plan?
50% yes, 50% no
3. Does the church have a mission statement?
87.5% Yes 12.5% No
4. Is there a strategic or long range planning committee in the church?
45.8% Yes 54.2% No, skip to question number six
5. How long has the committee been in existence?
36.4% one year or less 36.4% one to five years
27.2% more than five years

Table 1 (Cont.)

6. During the month of August 2000, what was the average attendance at the largest weekly service?
16.7% less than 100 25.0% 100 to 200
16.7% 201 to 300 12.5% 301 to 400
29.1% more than 400

7. How would you describe the overall change in your church's membership in the last two years:
16.7% Increasing greatly 62.5% Increasing some
16.7% About the same 4.1% Declining some
0 Declining greatly

8. How would you describe the overall change in your church's financial condition in the last two years?
25.0% Improving greatly 54.2% Improving some
16.7% About the same 4.2% Declining some
0 Declining greatly

9. To what extent are the following persons involved in deciding upon overall church direction and expenditures (circle your response):

	Greatly Involved	Somewhat Involved			Not Involved
	5	4	3	2	1
Pastor	75.0%	20.8%	4.2%	0	0
Associate Pastor	20.0%	40.0%	33.3%	0	6.7%
Finance Committee	36.4%	40.9%	18.2%	0	4.5%
Deacons	25.0%	25.0%	30.0%	15.0%	5.0%
Elders	30.0%	40.0%	0	0	30.0%
Planning Committee	44.4%	22.2%	11.1%	5.6%	16.7%

10. What denomination is your church?
50.0% Baptist
4.2% Catholic
4.2% Lutheran
8.3% Methodist
12.5% Presbyterian
4.2% Episcopalian
12.5% Non-Denominational
4.2% Other

The respondents were asked to describe the overall change in their church's financial condition in the past two years. Over 76 percent or 16 churches reported a positive change in their financial condition. The financial condition growth rates are shown in Table 3. All three of the non-planners reported that financial condition was improving some. Of the planning churches, 95 percent (21 churches) reported that financial condition improved at the same rate or better than membership had. When comparing membership growth and financial condition, a very strong and positive relationship exists. As membership increases, so will giving which will benefit financial condition. These findings support Hypothesis 2 that planning churches experience higher rates of growth in finances than non-planners do.

Both the mean and median attendance during August 2000 of all the churches surveyed was 262.5. The mean attendance of the planners was 288 whereas the non-planners had a mean attendance of 83. When comparing the churches that have a formal strategic plan to church attendance, findings indicate a positive relationship. These findings support Hypothesis 3 that strategic planning is practiced more in larger churches. This study did not address size of the church when the planning process began; strategic planning may contribute to churches increasing in size.

Responses to the question concerning the extent of involvement in deciding upon overall church direction and expenditures were as follows: 24 responses for pastor involvement; 21 responses for finance committee; 19 for the deacons; 15 for the planning committee; 13 for the associate pastor, and seven for the elders. This indicates that the pastor is heavily relied upon in planning and decision making for the church. These findings further highlight the importance of providing church leaders with the training and skills needed to incorporate the planning process in their ministries.

CONCLUSION

Based on the findings of this study, the following conclusions can be drawn concerning the sample churches:

1. Most churches engage in strategic or long-range planning.
2. Strategic planning has a positive effect on church membership growth rates and financial condition.
3. Larger churches are more likely to engage in strategic or long-range planning but there is no reason that these same activities cannot be implemented in smaller churches with similar success.
4. The pastor of a church is the primary person relied upon to provide direction and leadership in the planning and decision making process within the church.

As a church faces declining numbers in both members and finances, methods must be employed to address these issues. The planning process is a method whereby a church can address these issues. Through proper planning, a church can map an approach for meeting the goals and objectives they have established. Churches are relied upon to provide training, counseling,

leadership and direction for their congregations and communities. They must serve their members in a constantly changing world. To effectively address these many responsibilities, it is essential that a church engage in strategic planning efforts. A strategic plan can provide direction for meeting these challenges and can help eliminate the frustration that results from a lack of direction.

Findings from this study emphasize the importance of providing church leaders with the training and skills needed to incorporate strategic planning in their ministries. Successful strategic planning involves sharing the plan with members of the organization. By doing so, a congregation's support of church leaders and the congregation will help the organization reach its objectives.

LIMITATIONS AND FUTURE RESEARCH

Further studies covering a larger cross-section of churches could provide a better basis for generalizations of the results provided herein. Additional questions could be added to provide a more in-depth analysis of the effects of strategic and long-range planning on a church. Regardless, these results indicate that with proper planning, churches can achieve their goals in much the same way as business firms.

REFERENCES

- Aukerman, John H., Competencies Needed for Effective Ministry by Beginning Pastors in Church of God Congregations in the United States, Unpublished Doctoral Dissertation, Ball State University, 1991.
- Bennis, Warren, Leaders: The Strategies for Taking Charge. (Harper and Row, New York, 1985).
- Brown, J. Truman, Jr., Church Planning a Year at a Time, (Convention Press, Nashville, 1984).
- Burns, Cynthia F., and Carle M. Hunt. (1995). Journal of Ministry, Marketing & Management: Planning and Ministry Effectiveness in the Church. 1(2) 97-114.
- Cheatham, Leo and Carole Cheatham (1995). Journal of Ministry, Marketing & Management: Budgeting – Part II: Resource Allocation, Planning, and Expenditure Control. 1(2) 73-87.
- Clinton, Roy J., Stan Williams, and Robert E. Stevens. (1995). Journal of Ministry Marketing & Management: Constituent Surveys as an Input in the Strategic Planning Process for Churches and Ministries: Part I. 1(2) 43-55.
- Considine, John J. (1996). Journal of Ministry Marketing & Management: Attracting Baby Boomers Back to the Church. 2(1) 33-45.
- David, F. R., Concepts of Strategic Management, 9th Edition (Prentice-Hall, Upper Saddle River, NJ, 2003).
- Gangel, Kenneth O., Feeding and Leading, (SP Publications, Wheaton, 1989).
- George, Carl F., Prepare Your Church for the Future, (Fleming H. Revell, Grand Rapids, 1992).
- Johnson, Benton, Dean R. Hoge, and Donald A. Luidens. (1993). First Things: Mainline Churches: The Real Reason for Decline. 31(March) 13-18.
- Kegin, James L., Developing Pastoral Leadership and Management Skills, Unpublished Doctoral Dissertation, Oral Roberts University, 1991.
- Maes, Jeanne D. (1998). Journal of Ministry Marketing & Management: I'll Take Parish Strategic Planning for \$400.... 4(1) 25-31.
- Panell, John A. (1996). Journal of Business Strategies: Strategic Planning Emphasis and Planning Satisfaction in Small Firms: An Empirical Investigation. 13(1) 42-64.
- Primeaux, Patrick (1996). Journal of Ministry Marketing & Management: Administering the Whole. 2(1) 61-70.

Reed, Eric (2000). Christianity Today: Willow Creek Church Readies for Megagrowth. 44 (April) 21.

Rusbult, Richard E., Richard K. Gladden, Norman M. Green, Key Steps in Local Church Planning, (Judson Press, Valley Forge, 1980).

Schaefer, Tom (1996). Knight-Ridder/Tribune News Service: Mega-churches can be a Model for Other Congregations. July 731.

Stevens, Robert E., David L. Loudon, and R. Wade Paschal, Jr. (1996). Journal of Ministry Marketing & Management: A Survey of Pastors' Continuing Education Needs in Leadership and Management Skills. 2(1) 71-79.

Van Auken, Philip M., The Well-Managed Ministry: Discovering and Developing the Strengths of Your Team, (SP Publications, Wheaton, 1989).

About the Authors

Shah, Amit is a Professor of Management and Director of Center for Community Partnerships at Frostburg State University in Maryland. He has 17 years of experience in the industry and academia. His primary areas of interest are strategic management, organizational behavior, and international management. He has published over 50 refereed publications in various journals, proceedings, and texts including the *SAM Advanced Management Journal*, *International Journal of Management*, and *Feedback* and has conducted training for several organizations in the area of strategic management, organizational behavior, and culture. Shah serves on the Editorial Review Board of the Advanced Management Journal and Coastal Business Journal.

David, Fred is the author of three strategic management textbooks titled *Strategic Management*, *Concepts in Strategic Management*, and *Cases in Strategic Management*. The web site is www.prenhall.com/david. The 9th edition of these textbooks were published in 2003 by Prentice Hall. David is also author of 138 other refereed publications, including 31 journal articles, 50 Proceedings publications at professional meetings, and 57 business policy cases. Currently the TranSouth Professor of Strategic Management at Francis Marion University, David has also taught at Auburn University, Mississippi State University, East Carolina University, the University of South Carolina, and UNC Pembroke. In April 2002, David received FMU's 2001-2002 Award for Excellence in Research given annually to the best faculty researcher on campus for the year. In April 2000, he received the prestigious Phil Carroll Advancement of Management Award, given annually by the Society for the Advancement of Management (SAM) to a management scholar for outstanding recent contributions in management research. David serves on the Editorial Review Board of the Advanced Management Journal. Through his web site www.checkmateplan.com, David actively assists businesses across the country in doing strategic planning.