EFFECT OF REWARDS SYSTEMS ON COMPETITIVENESS IN PUBLIC UNIVERSITIES IN WESTERN REGION OF KENYA

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ABSTRACT

The purpose of the study was to examine the effect of rewards system on competitiveness in public universities in Western Region of Kenya. Competitiveness was measured by students’ enrolment and webometrics ranking. Literature was reviewed on the constructs of rewards systems and competitiveness of public universities. This study was expected to benefit organizations in coming up with policies that would improve talent retention rates and it would also add knowledge to academic consortium on rewards systems and competitiveness. The study area was public universities in Western Region of Kenya namely; Maseno University, Masinde Muliro University of Science and Technology, Jaramogi Oginga Odinga University of Science & Technology and Kibabii University. The scope of the study was between 2016/2017 academic year and 2018/2019 academic year. The research adopted descriptive co-relational research design. Sampling techniques were stratified random sampling and proportionate sampling whereas pre-test of the questionnaire was done and validity of research instruments was determined using content and constructs validly which met Cronbach’s alpha coefficient of above 0.70 and was considered reliable. Data was analyzed using descriptive and inferential statistics. The researcher used Statistical Package for Social Sciences (version 23) to help analyze data. The questionnaires were given to 351 respondents out of which, 316 responded. The outcome represented 90% of the respondents. The findings of the study indicated there exist a positive correlation between reward systems and competitiveness of public universities in Western Region of Kenya. The results of this study have significant implication on rewards systems in organizations and also theoretical implications.

Key Words: Rewards Management, Organization Performance

INTRODUCTION

In the recent past, Public Universities have experienced immense competition for key talent both locally and globally. Recent surveys on the impact of manpower on business, Human Resource practitioners ought to be concerned as talented employees tend to be actively searching for better prospects and are ready to exit their current employment (Boswell, Gardner, & Wang, 2016). Losing key talent costs considerably more since these employees’ impact and contribution are greater than that of typical employees (Matthew & Mavis, 2007). Estimates suggest that the cost of employee turnover often ranges from 50% to 200% of the employee’s annual salary based on the type and level of job he/she holds. These costs are substantial for even medium-sized organizations that have moderate rates of turnover (O’Shea, Chugh & Allen, 2008).

By independence 1963, Kenya had only one university college (University College of Nairobi) which was affiliated to the University of East Africa. It became a full – fledged University in 1970. According to the records by the Commission for University Education (October 2016) there are a total of 70 accredited universities in Kenya. These records also indicate that there is rapid enrolment of students in universities in Kenya. The total enrolment of students in 2015 was 539,749 compared to 440,840 in 2014. This admission was highest in public universities at 85% compared to private universities at 15% across all levels of programs. The fundamental goal of these institutions is to provide manpower needs for both private and public sector for overall national development. The Kenyan public universities admit both privately sponsored students and those partly sponsored by the government through the Kenya University & Colleges Central Placement Services (KUCCPS).

These factors have led to the exodus of teaching staff to the private sector or abroad in search for better opportunities despite the fact that these institutions have invested heavily in training them. Kenyan public universities have experienced rapid expansion in terms of enrolment of regular and self-sponsored students over the last decade without corresponding increase in staff numbers and replacement of those who leave due to various reasons including turnover and brain drain (Ng’ethe, Iravo, & Namusonge, 2013).

Statement of the Problem

Rewards systems are ideal for success of any organization. However, talent attrition is high in public universities in Kenya because in the recent past the government has converted many Constituent University Colleges into Universities and many Polytechnics and Technical colleges have been turned into constituent University Colleges. This created a deficit in experienced University staff leading to increase in demand for experienced University employees. The situation created many job opportunities for University staff who are at liberty move from one University to another through talent acquisition processes. Employee turnover is one of the many challenges facing organizations both public and private sectors (Ng’ethe et al., 2013). The biggest challenge occasioned by expansion of student numbers in public universities is staff shortage which has forced universities to acquire best talent from each other.

Osibanjo, Adeniji, Falola and Heirsmac (2014) in their study established that there is a positive relationship between appropriate rewards systems which in turn affect employee performance. In order to achieve employee satisfaction and retention, it is critical for organizations to have a structured compensation management system. Trade Unions in Public Universities have recently been agitating for salary increment and better reward systems. Getting the right people at the right place and keeping them there continues to be a major pre -occupation for organizations today (Kamau & Waudo, 2012). It is therefore vital that each University employs strategies that will retain talented staff and help them in achievement of Universities education vision 2030.
Past studies on rewards management in Kenya have addressed the problems in different perspectives: (Wafula, 2010), investigated the effectiveness of strategic talent management practices in organizations, (Njiru, 2008), analysed challenges facing human resource management practices in institutions of higher learning while (Njoroge, 2008), looked at talent management practices in commercial sectors in Kenya. However there is scarce literature on the link between rewards system and competitiveness of organizations. The current study therefore undertook to establish rewards systems and competitiveness of public Universities.

Research Objectives
The objective of this study was to determine the effect of rewards system on competitiveness in Public Universities in Western Region of Kenya.

The study was guided by the following hypothesis; 

\( H_0: \) Reward system has no significant relationship on competitiveness in public universities in Western Region of Kenya.

LITERATURE REVIEW

Talent Retention Strategies
Retention of talent is the deliberate effort by employers to retain high-performing employees in order to achieve organizational objectives. Retaining best professional talent is of great significance to organizations as it eliminates the recruitment, selection and on-boarding costs that would otherwise be incurred in replacing them (Tymon, Stumpf, & Smith, 2015). In addition, it maintains continuity in their area of expertise. Human resource professionals and practitioners understood that talent retention is most challenging task of the organization. Organizations have to develop different strategies to retain talented people since they are the investment of the organization towards organizational success. Even though they retain within the organization, unhappy employees may be reluctant to give better contribution for organizational success.

It has been identified that proper reward system, commitment, motivation, promotion, loyalty, career investment and career project as talent retention strategies. Career investment is important factor for retention, which is a programme that supports to develop all the employees of an organization with new knowledge and skills. Career investment is a part of corporate investment and it comprises all the investment on talent management strategies which make strong relationship between people and organization. Organizations that are willing to invest on talented workforce in different fields have a magnet for the company and serve the same company for their entire tenure. Providing training and development for the employees also another strategy of retain talent (Boyle, 1997; Deery, 2008). Even though public sector uses cost-effective ways to develop the talent, it may be a challenge to retain the potential talent for the future. Kontoghiorghes (2016) has explored the relationships between talent attraction, development and talent retention. This study established that talent attraction and retention to be highly associated with the extent to which an organization is perceived to have a change-quality and better knowledge management systems.

![Conceptual Framework]

**Figure 1: Conceptual Framework**

Empirical Review

Rewards system and University Competitiveness
Organizations get their competitive edge from a talent management system that helps them hire talented people, place them in the right place, at the right time and align their individual performance with the organization’s objectives, mission and vision, thereafter develop their abilities and reward performance commensurate with contributions to the organization’s success (Chartered Institute of Personnel and Development, 2009). Organizations today, rewards system rely on performance management system through appraisal and performance contracting processes to obtain data relevant to decisions concerning merit pay, promotions, pay increases and demotions.

In regard to this statement employees’ respond to positive reception at work, especially when it’s expressed through rewarding their efforts because it confirms their work is appreciated.

Reward strategy sets what the organization intends to do in the longer term to develop and implement reward policies, practices and processes which will further the achievement of the business goals (Armstrong, 2012). Employees can be motivated by rewards and recognition which will enable them satisfy their needs and fulfill their goals. Individuals needs and the goals vary so widely that it is intricate if not impossible to envisage how a particular reward or incentive will affect individual behavior. A reward strategy should be formulated through the conscientious, explicit and judicious use of various sources of information: practitioner expertise and judgment, evidence from the local context, a critical evaluation of the best research evidence and the perspectives of those people who might be affected by the decision (Briner, Brewer, Kovner, Greene, Tukov, Shuser & Djukic, 2009). Rewarding refers to the formulation and implementation of strategies, policies and procedures on employee compensation and other financial benefits. Organizations attempt to reward people equitably and constantly in accordance with their values and contribution to the organization.

According to Kanter, Darrow and Maccoby (1979), organizational strategies exist to elicit the present actions for the future and become ‘action oriented’ integrating and operationalize agents for change which provides the organization with a sense of purpose and direction in delivering reward schemes that support the achievement of organizational goals and objectives goals.

In Kenya, public universities have almost exclusively depended on the government for remunerating their staff (Ng’ethe et al., 2013). The little income generated internally goes to subsidize staff salaries as the government funding is not enough to sustain the payroll as well as provide for operation and maintenance of university facilities. The salaries and house allowance for academic staff are standard across universities save for compensation from other sources such as consultancy and part-time teaching. This has led to a situation where staffs are not paid well in comparison to their counterparts in the developed societies (Obwogi, 2011). Some universities in Africa, Kenya included, offer various allowances as a way of supplementing the employees’ base salaries which include house allowance, commuting allowance, book allowance, and professional allowance (Tettey, 2006). However, it is observed that allowances provide useful supplements to staff income but this should not mean that the staff are well catered for because these allowances are expected to be channelled to the intended purposes. Inflation in the cost of living erodes much of the cushion provided by the allowances. Some universities have creative ways of rewarding the academic staff by giving salary top-ups from funds raised from self-sponsored programmes and other income generating activities but this has often raised conflicts because the income generating
activities vary across faculties and hence creating disparities in terms of benefits. In addition, these revenue generating schemes are not always guaranteed to yield consistent and desired levels of funding and hence can only be supplementary. Organizations provide bonus and gain sharing as a form of incentive. A bonus system is an incentive for retention that is often based on some kind of performance. A goal is set and if reached it is often rewarded in monetary forms. Poorly designed and administered reward systems can do more harm than good but when performance is effectively related to bonus pay, it can motivate, attract and retain key contributors. A study of academics in Makerere University by (Amutuhaire, 2010) established that remuneration is one of the factors influencing their retention. Organizations are therefore advised to remunerate their employees adequately and should be commensurate to their work as a retention practice.

**Competitiveness of Public Universities**

According to Harrison, Daniel and Philip, (2010) at this time of global economic crisis it is imperative for those who run the organization to ensure with their behaviours and attitudes that employees and other stakeholders alike rely on their ethical observance and commitment to values that promote confidence. Competitiveness has dominated the strategic position of every organization particularly in current turbulence and multifaceted in the business environment. Competitiveness now is no longer embedded in only physical and financial capital. It is through effective channelling of successful growth and sustainability in business where human capital drives organizations towards higher capacity to learn to attain competitive advantage.

When the employees are retained for long it helps in cost cutting and increased productivity as employees are main players in giving quality of service in the organization and for the business results of company. High rate of employee attrition is risky to any organization, because of human capital cost i.e. skills, training and knowledge. Therefore, it is necessary for organizations to take steps for retaining trained employees in order to avoid major loses, (Vasquez, 2014). It is argued that through competition firms and organizations explore new ways of increasing their efficiency and productivity by reaching to new markets. Competitive ability of an organization refers to the characteristics that allow a firm to compete efficiently and increases the urge to compete - these characteristics are; Productivity as per the scientific literature is the relationship between output and input, and between the results or proceeds and sacrifices. The high quality of work increases the competitiveness of the organization which helps in attaining customer satisfaction and in becoming a more feasible organization. A cost-effective organization remains more competitive by diverting its resources on development of new projects/areas and helps in improving the work environment.

**METHODOLOGY**

This research adopted a descriptive correlational research design. This study was carried out in western region of Kenya which comprises of Universities in Kakamega County, Bungoma County Vihiga County and Siaya County. The population of this study comprised of three thousand (3,988) employees from four full-fledged chartered Public Universities Western Region of Kenya. These Public Universities were; Maseno University, Masinde Muliro University of Science and Technology (MMUST), employees, Jaramogi Oginga Odinga University of Science (JOOUST), employees and Technology and Kibabii University. The sampling techniques used in this study were stratified sampling. Primary data was used for this study and it was gathered through a self-administered structured questionnaire which was used for the purpose of collecting both quantitative and qualitative data. Data was organized by objectives, coded, edited and keyed into computer to facilitate statistical analysis. There researcher used
Statistical Package for Social Sciences (SPSS version 23) in analyzing data. Both descriptive and inferential data was generated using simple regression analysis tool and relevant tests conducted.

**RESULTS AND DISCUSSION**

**Reward system**

The respondents were requested to rate statements on reward and recognition, results were indicated in table 1.

<table>
<thead>
<tr>
<th>Statement</th>
<th>Strongly disagree %</th>
<th>Disagree %</th>
<th>Neutral %</th>
<th>Agree %</th>
<th>Strongly Agree %</th>
<th>Mean</th>
<th>Std. Dev.</th>
</tr>
</thead>
<tbody>
<tr>
<td>I am satisfied with reward management policy in this organization</td>
<td>0(0.0)</td>
<td>10(3.2)</td>
<td>66(20.9)</td>
<td>171(54.1)</td>
<td>69(21.8)</td>
<td>3.94</td>
<td>0.73</td>
</tr>
<tr>
<td>Rewards recognizes superior performance</td>
<td>0(0.0)</td>
<td>11(3.5)</td>
<td>10(3.2)</td>
<td>218(69)</td>
<td>77(24.4)</td>
<td>4.14</td>
<td>0.62</td>
</tr>
<tr>
<td>In my organization, rewards are given to all employees without any form of discrimination</td>
<td>0(0.0)</td>
<td>49(15.5)</td>
<td>165(52.2)</td>
<td>53(16.8)</td>
<td>49(15.5)</td>
<td>3.32</td>
<td>0.91</td>
</tr>
<tr>
<td>Bonuses and incentives are benefits given to all employees in my organization based on their performance our University, the pay and grading structures allow employees to define their own remunerations</td>
<td>0(0.0)</td>
<td>0(0.0)</td>
<td>61(19.3)</td>
<td>107(33.9)</td>
<td>148(46.8)</td>
<td>4.27</td>
<td>0.76</td>
</tr>
<tr>
<td>In this University, there are rewards set for key talent/exceptional performers</td>
<td>0(0.0)</td>
<td>0(0.0)</td>
<td>61(19.3)</td>
<td>246(77.8)</td>
<td>9(2.8)</td>
<td>3.83</td>
<td>0.44</td>
</tr>
<tr>
<td>In my organization, reward management systems is effective and efficient</td>
<td>0(0.0)</td>
<td>0(0.0)</td>
<td>87(27.5)</td>
<td>182(57.6)</td>
<td>149(41.4)</td>
<td>3.87</td>
<td>0.63</td>
</tr>
</tbody>
</table>

According to the findings, more than half of the respondents 171(54.1%) agreed and 69 (21.8%) strongly agreed respectively that they were satisfied with reward management policy in their organization with a mean of 3.94. A significant number 218(69%) agreed and 77(24.4%) strongly agreed respectively that rewards recognize superior performance with a mean of 4.14. The findings indicated that 165(52.2%) were neutral that their organization, rewards were given to all employees without any form of discrimination while 53(16.8%) agreed and 49(15.5%) strongly agreed with the statement with a mean of 3.32. The findings indicated that 55(17.4%) of the respondents agreed and 92(29.1%) strongly agreed.
that bonuses and incentives were benefits given to all employees in my organization based on their performance, with a mean of 3.57. Majority of the respondents 107(33.9%) agreed and 148(46.8%) strongly agreed that in their University, the pay and structures for grading allow employees to define their own remunerations, with a mean of 4.27. In the University, 246 (77.8%) agreed and 9(2.8%) strongly agreed that there were rewards set for key talent/exceptional performers, with a mean of 3.83. The findings also show that 182(57.6%) agreed and 149(14.9%) strongly agreed that in there organization, reward management systems is effective and efficient, with a mean of 3.87. The findings generally agreed that reward system as a strategy to talent retention is key and organisation should consider incorporating it. However, a significant number of the respondents were neutral on the issue of non-discriminatory reward system which indicates that the system probably had problems including favouritism.

**Webometrics Ranking**
The respondents were requested to rate statements on webometrics ranking, results indicated at table 2.

<table>
<thead>
<tr>
<th>Statement</th>
<th>Strongly disagree</th>
<th>Disagree</th>
<th>Neutral</th>
<th>Agree</th>
<th>Strongly Agree</th>
<th>Mean</th>
<th>Std. Dev.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Webometrics ranking promotes quality of research and education in this University.</td>
<td>0(0.0)</td>
<td>0(0.0)</td>
<td>0(0.0)</td>
<td>117(37.0)</td>
<td>199(63.0)</td>
<td>4.62</td>
<td>0.48</td>
</tr>
<tr>
<td>This University has put down measures to support the process of Webometrics ranking</td>
<td>191(60.4)</td>
<td>81(25)</td>
<td>6(1.9)</td>
<td>18(5.7)</td>
<td>20(6.3)</td>
<td>1.71</td>
<td>1.16</td>
</tr>
<tr>
<td>Webometrics has a positive impact in this University</td>
<td>0(0.0)</td>
<td>103(32.6)</td>
<td>34(10.8)</td>
<td>122(38.6)</td>
<td>57(18.0)</td>
<td>3.42</td>
<td>1.12</td>
</tr>
<tr>
<td>There is a system in place to ensure the University improve its scores on Webometrics ranking</td>
<td>0(0.0)</td>
<td>0(0.0)</td>
<td>69(21.8)</td>
<td>150(47.5)</td>
<td>97(30.7)</td>
<td>4.08</td>
<td>0.72</td>
</tr>
<tr>
<td>This University has been improving on Webometrics rankings</td>
<td>0(0.0)</td>
<td>0(0.0)</td>
<td>10.4</td>
<td>56.6</td>
<td>32.9</td>
<td>4.22</td>
<td>0.61</td>
</tr>
<tr>
<td>Webometrics ranking is a good indicator for University Competitiveness</td>
<td>0(0.0)</td>
<td>0(0.0)</td>
<td>86(27.2)</td>
<td>157(49.7)</td>
<td>73(23.1)</td>
<td>3.95</td>
<td>0.70</td>
</tr>
</tbody>
</table>

According to the findings in Table 2, 117(37.0%) of the respondents agreed and 199(63.0%) strongly agreed that webometrics ranking promotes quality of research and education in this University as shown with a mean 4.62. From the respondents, 191(60.4%) strongly disagreed and 81(25%) disagreed that the University has put down measures to support the process of Web metrics ranking as shown with a mean of 4.08. Half of the respondents 122(38.6%) agreed and 57(18.0%) strongly agreed respectively that Webometrics has a positive impact in this University, with a mean of 3.42. The respondents, 150 (47.5%) agree and 97(30.7%) strongly agree that the university has been improving on Webometrics rankings as shown with a mean of 4.22. The results also indicate that157 (49.7%) agree and 73(23.1%) strongly agree that Webometrics ranking is a good indicator for University Competitiveness, with a mean of 3.95.
Students Enrolment

The respondents were requested to rate statements on webometrics ranking, results indicated at table 3.

Table 3: Students Enrolment

<table>
<thead>
<tr>
<th>Statement</th>
<th>Strongly disagree</th>
<th>Disagree</th>
<th>Neutral</th>
<th>Agree</th>
<th>Strongly Agree</th>
<th>Mean</th>
<th>Std. Dev.</th>
</tr>
</thead>
<tbody>
<tr>
<td>There is increase in student’s enrolment over the last 5 years</td>
<td>0(0.0%)</td>
<td>0(0.0%)</td>
<td>13(4.7%)</td>
<td>285(90.2%)</td>
<td>16(5.1%)</td>
<td>4.00</td>
<td>0.31</td>
</tr>
<tr>
<td>This University has infrastructures are adequate to accommodate students enrolled annually</td>
<td>0(0.0%)</td>
<td>0(0.0%)</td>
<td>82(25.9%)</td>
<td>181(57%)</td>
<td>53(16.8%)</td>
<td>3.90</td>
<td>0.64</td>
</tr>
<tr>
<td>This university has adequate human resources ration against students</td>
<td>0(0.0%)</td>
<td>0(0.0%)</td>
<td>0(0.0%)</td>
<td>127(40.2%)</td>
<td>189(59.8%)</td>
<td>4.59</td>
<td>0.49</td>
</tr>
<tr>
<td>The programs in this University are attractive to students</td>
<td>192(60.8%)</td>
<td>83(26.3%)</td>
<td>5(1.6%)</td>
<td>17(5.4%)</td>
<td>19(6.0%)</td>
<td>1.69</td>
<td>1.13</td>
</tr>
</tbody>
</table>

According to the findings in table 3, the majority of the respondents 285 (90.2%) agreed and 16(5.1%) strongly agreed that there has been increase in student’s enrolment over the last 5 years as shown with a mean of 4.00. The findings also revealed that 181(57%) of respondents agreed and 53(16.8%) strongly agreed that university infrastructures were adequate to accommodate students enrolled annually with a mean of 3.90. All the respondents agreed that the university had adequate human resources ration against students. Finally the results indicated that 192(60.8%) agreed and 83(26.3%) strongly agreed that the programs in this University are attractive to students as shown with a mean of 1.69. The findings generally indicated the universities had an increased enrolment of students over the 5 years period this can be attributed to the increased transition of students from high school and to universities. The respondents also agreed that the universities had adequate infrastructure to accommodate the students. However most respondents cited that there institutions had no lucrative programs to attract students which may require some course reviews and modification to make them more attractive.

Correlation analysis for Reward System and University Competitiveness

The study used Pearson’s product moment correlation analysis In order to establish the strength and direction of the relationship between reward system and competitiveness of public universities in Western Region of Kenya, the results showed that there existed a strong and positive correlation between reward system and competitiveness of public universities in Western Region of Kenya(r = 0.193) as shown in table 4.

Table 4: Correlation for reward system and university competiveness

<table>
<thead>
<tr>
<th></th>
<th>Reward system</th>
<th>University Competitiveness</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pearson Correlation</td>
<td>1</td>
<td>.193**</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td>.001</td>
<td></td>
</tr>
<tr>
<td>N</td>
<td>316</td>
<td>316</td>
</tr>
<tr>
<td>Pearson Correlation</td>
<td>.193**</td>
<td>1</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td>.001</td>
<td></td>
</tr>
<tr>
<td>N</td>
<td>316</td>
<td>316</td>
</tr>
</tbody>
</table>

**. Correlation is significant at the 0.01 level (2-tailed).
Regression analysis for Reward System and competitiveness of the university

A simple regression model was also applied to determine the relative importance of reward system as a talent retention strategy on university competitiveness. The regression model was as follows: 

\[ y = \beta_0 + \beta_1 RS + \epsilon \]

Using the values of the coefficients (\( \beta \)) from the regression coefficients the established linear regression equation took the form of; 

\[ Y = 30.917 + 0.198 RS \]

Where; Constant = 30.917; when value of the independent variables are zero, the Universities' competitiveness would take the value 30.917

RS= 0.198; one unit increase in reward results in 0.198 units increase in the Universities' competitiveness.

Table 5: Regression Coefficient

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
<th>Correlations</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
<td>Zero-order</td>
</tr>
<tr>
<td>(Constant)</td>
<td>30.917</td>
<td>1.536</td>
<td>20.129</td>
<td>.000</td>
<td>.193</td>
</tr>
<tr>
<td>1 Reward system</td>
<td>.198</td>
<td>.057</td>
<td>.193</td>
<td>3.490</td>
<td>.001</td>
</tr>
</tbody>
</table>

a. Dependent Variable: University Competitiveness

The results as shown in the table 5 indicated that the coefficient of regression, \( R = 0.193 \) shows a good strength of the relationships between reward system and competitiveness of the universities. The coefficient of determination \( R^2 = 0.037 \) showed the predictive power of the model and in this case 3.7% of variations in the Universities' competitiveness was explained by the reward system variable.

According to Okinyo M. O. (2015), his study on reward systems in the public universities concluded that effective policies on reward has positive effect on employee retention hence competitiveness. In modern globalized world, the role of universities has become wider than ever, and universities are expected to play their role in economic development knowledge sharing and talent development. They further points out that it is essential to have rewards systems in the university that not only retains employees but also should enable them to produce talented workforce.

Table 6: Model Summary

<table>
<thead>
<tr>
<th>Mode</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
<th>R Square Change</th>
<th>F Change</th>
<th>df1</th>
<th>df2</th>
<th>Sig. F Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.193</td>
<td>.037</td>
<td>.034</td>
<td>2.92083</td>
<td>.037</td>
<td>12.183</td>
<td>1</td>
<td>314</td>
<td>.001</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), Reward system

ANOVA as explained by the P-Value of 0.001 which is less than 5% significance level confirms the existence of correlation between reward system and university competitiveness. The model indicated that model fitness i.e. how well the variable fit the regression model. From the results, the F ratio of 12.183 and the significance of 0.001 showed that there was not much difference in means between dependent and independent variables. The sum of squares gives the model fit and hence the variable fit the regression model.
Table 7: ANOVA

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>Df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regression</td>
<td>103.933</td>
<td>1</td>
<td>103.933</td>
<td>12.183</td>
<td>.001b</td>
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<tr>
<td>Residual</td>
<td>2678.814</td>
<td>314</td>
<td>8.531</td>
<td></td>
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<tr>
<td>Total</td>
<td>2782.747</td>
<td>315</td>
<td></td>
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</tbody>
</table>

a. Dependent Variable: University Competitiveness  
b. Predictors: (Constant), Reward system

Hypothesis (H0): Hypothesized that there is no significant relationship between reward system and competitiveness in public universities in Western Region of Kenya. The results revealed that the beta coefficient is 0.193 with the t-value of 3.490 and P value of 0.001. Since the P value is less than the significance level we reject the null hypothesis and accept the alternative. This indicated that the level of reward system affects the competitiveness in public universities in Western Region of Kenya.

CONCLUSION AND RECOMMENDATIONS
The study finally concluded that rewards system affect competitiveness of university in Western Region of Kenya. The rewards given to the university employees are based on their performance this motivates the employees and that when organization have a proper reward system in place, it allows the employees to define their pay hence high output which leads to effectiveness.  
From the objective, the study found that rewards system affect competitiveness of university in Western Region of Kenya and therefore it recommended that university management should come up with reward policies that would eliminate all forms of discrimination. This would encourage the employees to feel that they are part of the university and that all incentives and benefits are given to all employees in the universities based on merit. The Universities should also give performance related rewards and on-the-job career development opportunities to reward employees for exceptional performance. The procedure may include accelerated incremental progression, additional increments, academic promotion, and attraction and retention allowances and loadings.

Suggestions for Further Research
There is need for further research in areas of rewards systems and competitiveness. It is recommended that other researchers compare and contrast the various talent retention strategies applied across the Kenyan universities and the effectiveness of the strategies with regard to competitiveness. In addition, this study did not have a moderating variable. Further research on rewards systems and Organizational competitiveness should have a moderating variable. Further research should also include private universities in determining the level of competitiveness. The research recommended that further study need to be undertaken in other sectors of the economy rather than just universities.

REFERENCES


