REWARD MANAGEMENT AND EMPLOYEE RETENTION IN FAITH-BASED UNIVERSITIES IN KENYA

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ABSTRACT

Employee retention remains a persistent challenge for higher education institutions, particularly faith-based universities in Kenya and globally, where reward management has gained increasing scholarly and managerial focus. This study examined the effect of reward management strategies on employee retention in faith-based universities in Kenya. Anchored on Social Exchange Theory, the study adopted a positivist philosophy, a realist ontology, and a quantitative cross-sectional survey design. The target population comprised 2,000 academic and non-academic employees from 22 registered faith-based universities, with a sample of 333 respondents drawn from five purposively selected institutions using stratified and simple random sampling techniques. Data were collected through structured questionnaires and analyzed using SPSS, applying descriptive and inferential statistics. The findings indicated that reward management has a strong, positive, and statistically significant effect on employee retention. Competitive compensation, transparent job evaluation, merit-based promotion, and meaningful non-monetary recognition were identified as key contributors to employee commitment and long-term institutional loyalty.

Key words: Reward Management, Employee Retention, Faith-Based Universities.

INTRODUCTION

Faith-based universities (FBUs) employ distinctive employer branding strategies within their reward management systems by integrating spiritual, relational, and community-focused dimensions into traditional compensation structures. Unlike secular institutions, FBUs often extend rewards beyond monetary benefits to include acknowledgment of spiritual contributions, opportunities for ministry engagement, pastoral care, and platforms for faith expression — elements that reinforce alignment with the institution's mission and values. These universities also design holistic benefits packages such as family-friendly policies, flexible work arrangements, supportive community networks, and wellness programs that reflect their theological commitment to human dignity, stewardship, and holistic flourishing. By embedding religious values into their reward systems, FBUs strengthen employees' sense of belonging and purpose, enhancing their capacity to attract and retain exceptional talent across both academic and administrative domains (Dolan, 2020).

Furthermore, reward management in FBUs serves as a strategic tool for shaping employer brand identity by demonstrating institutional commitment to valuing employees not only as workers but as integral members of a shared faith community. Inclusive benefits, compassionate managerial practices, recognition of spiritual service, and faith-integrated professional development initiatives cultivate a workplace environment that resonates deeply with mission-oriented staff. This strengthens the psychological contract between employees and the institution — reinforcing loyalty, increasing satisfaction, and promoting long-term retention. The relational and spiritual dimensions of these rewards differentiate FBUs from other institutions, positioning them as employers of choice for individuals seeking meaningful, values-aligned careers (Pillay, 2017).

According to Dousin et al. (2021), employer branding emphasizes the significance of rewarding employees as an organization's most vital asset, highlighting that investment in employee satisfaction, skill development, and holistic wellbeing leads to enhanced organizational performance. This aligns strongly with FBU contexts, where reward systems aim to nurture both professional competencies and spiritual growth. When employees perceive that their contributions are acknowledged, their values respected, and their wellbeing prioritized, they experience stronger motivation and deeper organizational attachment. Thus, FBUs that intentionally integrate faith-informed reward strategies — such as mentorship grounded in Christian ethics, recognition of spiritual leadership, and community-building initiatives — can strengthen their employer brand and significantly improve retention outcomes (Garzon, 2021).

In Kenya, Mwema et al. (2022) emphasize that reward management extends beyond transactional compensation to encompass spiritual recognition, community belonging, and holistic support. This integrated approach not only reflects institutional values but also reinforces organizational identity, creating a compelling employer brand that appeals to mission-driven professionals. By valuing employees in multidimensional ways, FBUs cultivate committed, engaged, and high-performing staff who contribute positively to institutional mission and sustainability.

Despite the growing body of literature on reward management and employee retention in general organizational contexts, limited empirical evidence exists on how reward systems function within faith-based higher education institutions in Kenya. Most studies have focused on corporate or public sector organizations, leaving a gap in understanding the unique intersection of faith-driven values and reward practices in shaping retention outcomes. This study therefore seeks to fill this gap by empirically examining the effect of reward management strategies on employee retention in faith-based universities in Kenya.

Purpose of the Study

To assess the effect of reward management strategies on employee retention in faith-based Universities in Kenya.

Research Hypothesis

H_0: Reward Management has no statistically significant effect on employee retention in faith-based Universities in Kenya.

Conceptual Framework

Reward Management
- Reward Policies
- Reward Strategy
- Benefit structure

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Employee Retention
- Turnover rate
- Career growth
- Job security

Independent Variable **Dependent Variable**

Statement of the Problem

Employee retention remains a persistent challenge in faith-based universities in Kenya. Evidence from the Commission for University Education indicates rising staff turnover in private universities, increasing from 4% in 2020 to 6.5% in 2022, reflecting declining retention levels. Faith-based universities are particularly affected due to constrained financial resources, mission-driven management structures, and compliance with stringent regulatory requirements, all of which influence employees' perceptions of reward equity and institutional support.

Institutional reports reveal challenges related to inconsistent salary structures, limited career progression frameworks, insufficient non-monetary recognition, and opaque job evaluation processes. These are compounded by competition from public universities and secular private institutions that often offer higher remuneration and more transparent promotion pathways. Globally and regionally, studies indicate that inadequate and inequitable reward systems significantly contribute to job dissatisfaction, reduced organizational commitment, and increased turnover intentions. In Sub-Saharan Africa, these challenges are intensified by talent mobility and brain drain, further destabilizing employee retention in higher education institutions (Ogega, Muya & Nyaboga, 2020)

Despite deliberate efforts by faith-based universities to retain staff through mission-driven incentives and faith-integrated reward systems, employee turnover remains high. This suggests that existing reward practices have not sufficiently translated into sustainable retention outcomes. While existing studies establish connections between reward management and retention in corporate and public sector contexts, limited empirical attention has been given to how the unique religious identity, governance structures, and resource constraints of faith-based universities interact with reward systems to influence retention. This presents a critical research gap necessitating an empirical examination of the relationship between reward management and employee retention in faith-based universities in Kenya.

Theoretical Framework

Social Exchange Theory

Social Exchange Theory was proposed by George Homans in 1958 and has since become a foundational framework for understanding employment relationships. The theory advocates that human relationships are formed and maintained based on a rational analysis of costs and rewards, suggesting that individuals seek to maximize benefits, minimize costs, and continue interactions only when perceived rewards outweigh the costs and better alternatives are not available (Ahmad et al., 2023).

In the context of reward management and employee retention, SET provides a compelling theoretical lens. Employees evaluate the costs and benefits of their relationship with the organization, and when the perceived rewards of working for an institution — including fair compensation, recognition, career advancement, and non-monetary benefits — outweigh the perceived costs, they are more likely to remain loyal. Moreover, SET emphasizes reciprocity: employees tend to respond positively to favourable organizational treatment by demonstrating continued commitment and reduced turnover intentions (Aylmer et al., 2024).

SET also highlights the role of comparison standards in evaluating rewards. Employees assess their rewards relative to what they believe they deserve and what alternatives are available in the labour market. In faith-based universities, where salary structures may be less competitive than those in public institutions, mission alignment and non-monetary rewards may function as additional perceived benefits that tip the exchange balance toward retention. This makes SET especially relevant in explaining why employees in value-driven institutions may remain loyal despite lower financial compensation, provided they perceive the overall exchange as fair and meaningful (Limbu & Jamal, 2024).

Critics of SET note that the theory oversimplifies human behavior by assuming rational cost-benefit calculations and may underestimate the role of emotional bonds and cultural influences (Cetinkaya et al., 2024). Despite these limitations, SET remains highly relevant to this study as it provides a robust framework for understanding how reward management practices shape employees' perceptions of organizational fairness, reciprocal commitment, and the decision to remain in faith-based universities in Kenya.

Empirical Literature Review

Mutua and Ombongi (2024) investigated the effect of structured reward systems on employee retention among clinical and administrative staff in public health facilities in Nairobi County, Kenya. The study adopted a quantitative survey design, employing stratified random sampling to collect data from 200 employees. The findings revealed that well-structured reward systems significantly reduced turnover intentions, with employee recognition and career development opportunities emerging as the most influential factors. The authors emphasized that aligning reward structures with employee expectations not only improves retention but also enhances job satisfaction and organizational commitment, particularly in resource-constrained institutional contexts.

Njenga and Kamaara (2024) examined reward strategies and their impact on employee retention in the hospitality industry in Nairobi City County, Kenya. Using a quantitative survey design, results indicated that employee benefits and recognition schemes had a strong positive influence on retention, while financial incentives and promotions had moderate effects. The authors highlighted that organizations in highly competitive sectors must continuously evaluate and enhance their reward strategies to maintain employee loyalty, reduce turnover, and ensure service quality. The study also underscored the importance of creating reward frameworks that address both intrinsic and extrinsic employee needs to maximize retention outcomes.

Mwasi (2025) investigated reward management practices and their effect on employee retention in public referral hospitals in Nairobi City County, Kenya. Findings revealed that reward management practices, including financial incentives, career development opportunities, and recognition, had a significant positive effect on employee retention. Notably, employee recognition was identified as the most influential reward component, suggesting that acknowledgment of performance and contribution plays a critical role in sustaining workforce commitment. The study concluded that comprehensive and well-structured reward management practices are essential for enhancing employee satisfaction, reducing turnover, and ensuring continuity of service delivery.

Mazikana (2019), in a study conducted in England, surveyed the impact of reward management systems on employee retention, focusing on how various reward methods — both extrinsic and intrinsic — impact employee retention in businesses. The results showed that employee retention was positively impacted by both extrinsic rewards (such as cash remuneration, bonuses, and benefits) and intrinsic rewards (such as recognition, job satisfaction, and possibilities for career advancement). Employees who were satisfied with the rewards accorded to them were more likely to remain with their employer, whereas those who felt undervalued were more inclined to seek alternative employment opportunities. The study recommended that organizations implement comprehensive reward management systems addressing both intrinsic and extrinsic factors.

Oyoo et al. (2016) investigated the influence of reward systems on staff retention in faith-based health facilities in Kenya. The results showed that there is a strong positive correlation between extrinsic and intrinsic rewards and that both have a significant impact on employee retention. Career advancement was also found to have a favorable impact on employee retention. The study concluded that reward components including career growth, extrinsic rewards, and intrinsic benefits are critical for staff retention in faith-based health institutions. It recommended that reward systems in faith-based organizations be transparent, simple to understand, reasonable, and founded on trustworthy criteria.

Tapiwa (2019) examined the effect of reward management systems on employee retention at Anthony and Palmer (Pvt) Ltd in the United Kingdom, focusing on the company's declining performance attributed to reward management issues. A quantitative approach was used with questionnaires distributed to 202 employees. The results showed that reward management systems particularly financial incentives, recognition programs, and career development opportunities significantly impacted employee retention. The research concluded that effective reward systems were critical in reducing turnover by enhancing job satisfaction and employee loyalty. The study recommended that organizations invest in both intrinsic and extrinsic reward strategies to enhance employee retention and overall organizational performance.

Mandey (2024) adopted a quantitative research design to examine lecturers' perceptions of employee loyalty in faith-based institutions in Indonesia. The findings showed that employee retention was strongly influenced by appropriate reward systems, career development opportunities, and alignment with the institution's vision and mission. Employer branding was indirectly reflected through the creation of a values-aligned work environment that enhanced loyalty, reinforcing the idea that reward systems function most effectively when they are congruent with institutional mission.

RESEARCH METHODOLOGY

The study The study adopted a positivist research philosophy and realist ontology, using a quantitative cross-sectional survey design. Positivism emphasizes objective observation, quantification, measurement, and statistical analysis of phenomena in order to establish causal relationships between variables. This philosophy was considered appropriate for examining the relationship between reward management and employee retention using structured data collection methods.

The target population comprised 2,000 academic and non-academic employees drawn from 22 registered faith-based universities in Kenya. A sample of 333 respondents was selected from five purposively chosen universities Catholic University of Eastern Africa (CUEA), Strathmore University, Aga Khan University, University of Eastern Africa Baraton (UEAB), and Daystar University using stratified and simple random sampling techniques. The five universities were selected based on religious affiliation, charter year, and staff complement to ensure representation across Catholic, Islamic, and Protestant faith traditions.

Data were collected using structured questionnaires administered to staff and faculty at the selected institutions. The questionnaire was divided into sections capturing demographic characteristics, reward management perceptions, and employee retention indicators, all measured using a five-point Likert scale ranging from 1 (Strongly Disagree) to 5 (Strongly Agree). Instrument reliability was established through a pilot study involving 33 employees (10% of the sample) at Hekima University College in Nairobi, yielding a Cronbach's alpha of 0.945 for the reward management scale, indicating excellent internal consistency. Content validity was ensured through expert review by academic supervisors and subject matter specialists.

Data were analyzed using IBM SPSS version 25. Descriptive statistics including means and standard deviations were computed to characterize the distribution of responses. Inferential analyses comprised Pearson product-moment correlation to assess the direction and strength of the association between reward management and employee retention, and simple linear regression to determine the predictive effect of reward management on employee retention. Diagnostic tests for normality, multicollinearity, heteroscedasticity, linearity, and autocorrelation were conducted to ensure the validity of the regression assumptions.

Descriptive Statistics

Table 1: Showing Descriptive Statistics for Reward Management

	N	Min	Max	Mean	Std. Dev.	Skewness	Kurtosis
The university has clearly defined and effective reward policy for all employees.	325	1.0	5.0	3.545	.9105	-.479	.284
The reward policies at this university align with my expectations and the university's goals.	325	1.0	5.0	3.665	.9034	-.702	.554
The Reward strategies implemented at this university are effective and fair.	325	1.0	5.0	3.708	.9448	-.446	-.090
The University has a competitive salary structure / package with competitive basic salary and allowances that meet my expectation	325	1.0	5.0	3.591	.9696	-.555	.065
My salary scale is fair in relation to my qualifications, experience, and responsibilities	325	1.0	5.0	3.763	.9698	-.838	.462
I feel motivated by the non-monetary rewards (e.g., sabbaticals, recognition,	325	1.0	5.0	3.545	.9791	-.731	.363

awards) offered at this institution							
The University conducts job evaluations in a fair and objective manner	325	1.0	5.0	3.938	.7833	-.822	1.351
The outcomes of job evaluation are effectively used to determine salary levels, career progression and promotions	325	1.0	5.0	3.769	.9258	-.559	.163
The job evaluation process in the university accurately reflects the responsibilities of my position and challenges me to better my performance	325	1.0	5.0	3.905	.9027	-.976	1.159
Average Mean	325			3.714	0.921	-0.679	0.479

Source: Field Data 2026

Table 1 presents respondents' levels of agreement with statements relating to Reward Management in faith based universities in Kenya. Responses were captured on a Likert scale from 1 (strongly disagree) to 5 (strongly agree) from N = 325 participants. The minimum observed response was 1 and the maximum 5, indicating full use of the scale across items. Regarding the statement, "The university conducts job evaluations in a fair and objective manner," respondents reported the highest level of agreement (Mean = 3.94, SD = 0.78; 95% CI ≈ [3.85, 4.02]). This relatively low dispersion suggests broad consensus that job evaluation processes are perceived as credible and unbiased. In a similar vein, respondents agreed that "the job evaluation process accurately reflects the responsibilities of my position and challenges me to better my performance" (Mean = 3.91, SD = 0.90; 95% CI ≈ [3.81, 4.00]), reinforcing the view that role requirements are appropriately captured and used to encourage performance.

Respondents further agreed that "the outcomes of job evaluation are effectively used to determine salary levels, career progression, and promotions" (Mean = 3.77, SD = 0.93; 95% CI ≈ [3.67, 3.87]). Together, these three job evaluation items suggest a coherent and functioning linkage between evaluation, pay, and progression, which is critical for perceptions of procedural justice and retention. On compensation fairness, respondents agreed that "my salary scale is fair in relation to my qualifications, experience, and responsibilities" (Mean = 3.76, SD = 0.97; 95% CI ≈ [3.66, 3.87]). By contrast, agreement was somewhat lower for "the University has a competitive salary structure/package with competitive basic salary and allowances that meet my expectation" (Mean = 3.59, SD = 0.97; 95% CI ≈ [3.49, 3.70]). The higher variability on these pay related items suggests that perceptions of competitiveness and fit to market may differ by department, role, or experience level—an area worthy of further calibration through benchmarking and transparent pay communication.

With respect to policy alignment, respondents agreed that "the reward policies at this university align with my expectations and the university's goals" (Mean = 3.67, SD = 0.90; 95% CI ≈ [3.57, 3.76]) and that "the reward strategies implemented at this university are effective and fair" (Mean = 3.71, SD = 0.94; 95% CI ≈ [3.61, 3.81]). These results point to a generally positive view of policy to practice alignment and equity in reward strategies, while still leaving room for communication and implementation consistency.

For policy clarity and non monetary recognition, ratings were more moderate. Respondents reported "the university has clearly defined and effective reward policy for all employees" with a mean of 3.55 (SD = 0.91; 95% CI ≈ [3.45, 3.64]), and "I feel motivated by the non monetary rewards (e.g., sabbaticals, recognition, awards)" also with a mean of 3.55 (SD = 0.98; 95% CI ≈ [3.44, 3.65]). Both items show higher dispersion, implying that policy clarity and non monetary reward experiences vary more across respondents, indicating priority areas for standardization and strengthening (e.g., clearly documented policies, institution wide recognition programs, consistent criteria and visibility of non monetary awards). Overall, the average mean across reward management items was 3.71 (Average SD ≈ 0.92), reflecting general agreement that reward systems are present and functioning. The negative skewness (average ≈ −0.68) indicates responses tended toward agreement, while kurtosis (average ≈ 0.48) suggests distributions are close to normal with mild peaking.

Similarly, Kwon and Rupp (2020) reported that non monetary rewards such as recognition and sabbaticals only enhance motivation when they are well communicated, consistently administered, and visibly valued by leadership. The higher dispersion observed in non monetary reward responses in the current study suggests uneven implementation across departments, which may explain why these rewards are perceived as less motivating compared to core compensation and job evaluation processes. Mitonga Monga et al. (2024) found that while employees valued fair internal reward systems, inadequate external competitiveness significantly increased turnover intentions, particularly among highly skilled and mobile employees. This suggests that faith based universities may be vulnerable to talent loss where market benchmarking is weak.

Contrasting evidence is also found in studies that emphasize extrinsic rewards as dominant retention drivers. For example, Adekunle and Babajide (2025) concluded that monetary rewards were the strongest predictors of employee commitment in private universities, outweighing procedural fairness considerations. This partially diverges from the present findings, where respondents appear more satisfied with fairness and structure than with market competitiveness. The divergence may reflect contextual differences, as faith-based universities often prioritize mission alignment and internal equity over aggressive pay competition

Correlation Analysis

Table 2: Correlation Analysis

		Reward Management .	Employee Retention
Reward Management	Pearson Correlation	1	
	Sig. (2-tailed)		
	N	325	
Employee Retention	Pearson Correlation	.789**	1
	Sig. (2-tailed)	0.000	
	N	325	325

Source: Field Data 2026

The correlation results indicate a strong, positive, and statistically significant relationship between reward management and employee retention ($r = .789$, $p < .001$). This suggests that improvements in reward management practices are strongly associated with higher employee retention intentions. The particularly strong correlation reflects that employees who perceive their rewards as fair, competitive, and well-structured are substantially more likely to remain with their institutions. This aligns with the tenets of Social Exchange Theory, which posits that employees reciprocate favourable organizational treatment with loyalty and sustained commitment

Regression Analysis

Simple linear regression analysis was conducted to determine the predictive effect of reward management on employee retention. The hypothesis tested was:

> **H_0:** There is no statistically significant effect of reward management on employee retention in faith-based Universities in Kenya.

Table 3: Model Summary for Reward Management and Employee Retention

				Change Statistics				
R	R Square	Adjusted R Square	Std. Error of the Estimate	R Square Change	F Change	df1	df2	Sig. F Change
.589[a]	.346	.344	.52462	.346	171.194	1	323	.000

a. Dependent Variable: Employee Retention

b. Predictors: (Constant), Reward Management

Source: Field Data 2026

The simple linear regression model with Reward Management as the predictor and Employee Retention as the outcome was statistically significant, as indicated by the Change Statistics ($\Delta R^2 = .346$; $F(1, 323) = 171.194$, $p < .05$).. The model explained 34.6% of the variance in Employee Retention ($R^2 = .346$), and this estimate remained stable after adjusting for sample size (Adjusted $R^2 = .344$), suggesting good generalizability within the sample. The standard error of the estimate was 0.52462, meaning that predicted retention scores differed from observed scores by about 0.52 units on the original scale. Converting the explained variance into an effect size gives Cohen's $f^2 \approx 0.53$, which is considered large, and the corresponding t-value for the slope (since $t = \sqrt{F}$) was approximately 13.08, reinforcing the conclusion that Reward Management was a substantive and statistically reliable standalone predictor of employee retention in the sampled faith-based universities.

Table 4: ANOVA for Reward Management and Employee Retention

	Sum of Squares	df	Mean Square	F	Sig.
Regression	47.117	1	47.117	171.194	.000[b]
Residual	88.899	323	.275		
Total	136.016	324			

a. Dependent Variable: Employee Retention

b. Predictors: (Constant), Reward Management

Source: Field Data 2026

The ANOVA tested whether introducing Reward Management as a predictor significantly improved the prediction of Employee Retention over a model with no predictors. The Regression Sum of Squares was 47.117 with df = 1, yielding a Mean Square = 47.117. The Residual Sum of Squares was 88.899 with df = 323 (Mean Square = .275). Dividing these mean squares produced a highly significant F statistic, $F(1, 323) = 171.194$, $p < .001$. This confirmed that the model including Reward Management explained a statistically significant portion of the variance in Employee Retention. Consistent with the model summary, the ratio of explained to total variance (SSRegression / SSTotal = 47.117 / 136.016) was approximately .346, corresponding to $R^2 \approx .346$ that is, Reward Management alone accounted for about 34.6% of the total variance in employee retention. Substantively, this indicated that stronger and fairer reward practices were associated with higher retention, and that the association was unlikely to be due to chance.

Table 5 : Coefficients for Reward Management and Employee Retention

	Unstandardized Coefficients		Standardized Coefficients		
	B	Std. Error	Beta	t	Sig.
(Constant)	2.226	.154		14.437	.000
Rewardmgt	.533	.041	.589	13.084	.000

a. Dependent Variable: Employee Retention

b. Predictors: (Constant), Reward Management

Source: Field Data 2026

Reward Management was a strong, positive, and statistically significant predictor of Employee Retention. Specifically, a one-unit increase in Reward Management was associated with an estimated 0.533-unit increase in Employee Retention ($B = 0.533$, $SE = 0.041$, $t = 13.084$, $p < .05$), and the standardized effect was $\beta = 0.589$, indicating a large effect in standardized terms. The 95% CI for the slope was approximately [0.452, 0.614], confirming that the true population effect was positive and meaningful. The intercept was 2.226 ($SE = 0.154$, $t = 14.437$, $p < .05$; 95% CI ≈ [1.923, 2.529]), representing the expected retention level when Reward Management = 0 (primarily a model anchor rather than a substantive value. These results indicate that stronger, fairer reward practices are associated with higher retention and that the relationship is statistically robust.

Regression equation (unstandardized):

$$Y = 2.226 + 0.533RM$$

(Employee Retention $= 2.226 + 0.533 \times$ Reward Management)

The regression results show that a one-unit increase in Reward Management leads to a 0.533-unit increase in Employee Retention, holding all other factors constant. This means that even a modest improvement in the reward system such as more transparent pay structures, timely recognition, or better incentives produces a measurable rise in employees' intentions to remain in the organization. Therefore, enhancing reward practices is an effective strategy for boosting retention.

The findings of this study reveal that reward management has a strong, positive, and statistically significant effect on employee retention in faith-based universities in Kenya. The proportion of variance explained by reward management ($R^2 = 0.346$) indicates that more than one-third of employees' retention decisions are influenced by how rewards are structured, communicated, and administered. This magnitude is relatively high and underscores the centrality of reward systems in shaping employee commitment and turnover intentions.

These findings are consistent with prior empirical studies conducted within higher education and nonprofit contexts. For example, Mabaso and Mathebula (2025) found that fair and transparent reward practices significantly reduced turnover intentions in mission-driven organizations, arguing that perceived fairness in pay and recognition strengthens employees' psychological attachment. Similarly, Manjunath (2023) reported that reward management explained a substantial share of variance in retention among university staff, particularly where compensation and promotion systems were perceived as equitable and merit-based.

Conclusion

The study found that reward management has a strong, positive, and statistically significant effect on employee retention in faith-based universities in Kenya. Competitive compensation, transparent job evaluation processes, merit-based progression, and meaningful non-monetary recognition emerged as key drivers of employee commitment and institutional loyalty. The null hypothesis was rejected, confirming that reward management significantly predicts employee retention ($F = 171.194$, $p < .001$; $R^2 = .346$).

Employees in faith-based universities perceive reward systems as generally fair and structured, with particular confidence in job evaluation fairness and its linkage to career progression. However, areas requiring targeted improvement include salary competitiveness relative to the broader higher education market, consistency and visibility of non-monetary recognition programs, and clarity of reward policies across departments. When reward systems are equitable, transparent, and aligned with both institutional mission and employee expectations, they generate the organizational trust and reciprocal commitment that sustain long-term retention even in resource-constrained faith-based settings.

The study further concludes that reward management in faith-based universities cannot be reduced to financial compensation alone. The integration of faith-informed rewards — including spiritual recognition, community belonging, mission-aligned career development, and holistic employee welfare represents a distinctive and underutilized retention asset. Faith-based universities that strategically leverage this unique reward dimensions alongside competitive financial compensation are better positioned to attract, retain, and sustain a committed and high-performing workforce.

Recommendations

University management should develop and implement clearly defined, transparent, and equitable reward policies that are consistently communicated across all departments and staff cadres. Reward policies should specify eligibility criteria, timelines, and linkages between performance, evaluation outcomes, and compensation adjustments to enhance procedural justice and trust.
Faith-based universities should prioritize competitive salary benchmarking by conducting regular salary surveys to compare compensation structures with public universities and other private institutions. Where full salary parity is not feasible, institutions should articulate and enhance the total value of their employment package, including non-monetary benefits, spiritual development opportunities, and faith-aligned incentives.

Institutions should institutionalize robust and visible non-monetary recognition programs, including awards, sabbaticals, public acknowledgment of contributions, and faith-based recognition of spiritual service. These programs should be standardized, consistently applied, and aligned with institutional values to enhance motivation and loyalty among mission-driven staff.
Job evaluation processes should be conducted regularly, objectively, and transparently, with outcomes clearly communicated and effectively linked to salary levels, promotions, and career

advancement pathways. Fair and merit-based job evaluation strengthens employees' perceptions of organizational justice and commitment to institutional goals.

Human resource departments in faith-based universities should develop faith-integrated total reward frameworks that combine financial compensation, non-monetary recognition, spiritual development, community belonging, and welfare provisions. This holistic approach leverages the unique institutional identity of FBUs as a retention advantage.

Regulatory bodies, particularly the Commission for University Education (CUE), should develop minimum standards and guidelines for reward management in private and faith-based universities, including transparency requirements for salary structures, promotion criteria, and job evaluation processes. Such standards would promote fairness, reduce inequality, and strengthen retention across the sector.

Policymakers are encouraged to provide capacity-building programs for university administrators on best practices in reward system design, implementation, and communication. Given resource constraints in faith-based institutions, targeted government support or sector-wide initiatives could facilitate the adoption of compliant and competitive reward frameworks.

The Ministry of Education and relevant professional bodies such as the Institute of Human Resource Management Kenya (IHRM-K) should promote the development of sector-specific reward benchmarks for higher education institutions, enabling faith-based universities to calibrate their compensation and recognition practices against credible market standards.

Future studies should adopt longitudinal research designs to examine how changes in reward management practices influence employee retention over time in faith-based universities, capturing the dynamic nature of employment relationships. Qualitative and mixed-methods research is recommended to explore the lived experiences of employees regarding reward management in faith-based institutions, capturing nuances related to spiritual motivation, value alignment, and the role of faith identity in shaping reward perceptions. Comparative studies between faith-based, public, and secular private universities would provide valuable insights into contextual differences in reward management dynamics and their differential effects on employee retention outcomes. Future research should also examine the moderating roles of variables such as generational cohort, academic rank, gender, and religious affiliation in shaping the relationship between reward management and employee retention in faith-based higher education institutions.

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