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# Understanding the Impact of Rewards on Employees' Creativity and Innovation : a Literature Review Study

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# Understanding the Impact of Rewards on Employees' Creativity and Innovation: a Literature Review Study

## Abstract

**Purpose:** The purpose of this master's thesis is to study how organizational rewards; intrinsic rewards and extrinsic monetary and non-monetary rewards, affect employees' creativity and innovation within an organizational environment, and to propose a new categorization of organizational rewards.

**Methodology:** A literature review of selected peer-reviewed studies from different countries and industries.

**Findings:** The results of this study support the following notions; (1) intrinsic rewards support employees' creativity and innovation through their positive impact on intrinsic motivation; (2) extrinsic non-monetary rewards support employees' creativity and innovation ; (3) extrinsic monetary rewards can support or hinder employees' creativity and innovation depending on external organizational factors. This study suggests a new model which categorizes organizational rewards into two main groups; monetary and non-monetary instead of extrinsic and intrinsic, and the non-monetary one into intrinsic and extrinsic while the monetary group includes only extrinsic rewards.

**Keywords:** rewards, creativity, innovation, extrinsic, intrinsic, motivation

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# Introduction

# 1. Introduction

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## 1.1. Background

Many organizations have realized the importance of having creative employees with innovative skills in order to maintain their competitive advantages or even their existence in the markets where they conduct their business activities. For an employer who is able to attain this realization, due to accumulated business management knowledge or any other reasons, it seems obvious that the organization will try its best in order to keep the steam of creativity on and going higher amidst all its employees. It is a true challenge for any employer which requires fine observation of the work environment and advanced human management skills.

During the last few decades a large number of studies from several academic branches have been executed by known researchers such as Teresa Amabile, Robert Eisenberger, Richard Ryan and Edward Deci, in order to shed light on the interrelationship between organizational rewards, employees' motivation and employees' creativity and innovation. Continuous attempts to investigate these elements and the interrelationships between them broadening the existent knowledge in this field and opening eyes on new perspectives for even further investigation and research.

There is a general agreement and disagreement among researchers about different issues related to this topic, and each group has its own supportive arguments. One of the renowned elements which have been a matter of subject of broad discussions in literature is the impact of intrinsic and extrinsic rewards on employees' creativity. There is no doubt about the importance of rewards in energizing employees' creativity and sparking their spirit for innovation. The endless debate is about the possible positive or negative impacts which rewards may stress on employees performance and motivation for creativity and innovation. For instance, it is not wrong to assume that extrinsic reference to studies rewards have positive impacts on creativity if they have not been misused, or to assume that very high or low-value rewards can cause negative impact on the creative ability of employees.

## 1.2. Problem discussion

It is believed that innovative organizations are the ones with higher chances of survival in any industry or geographical area or era of time. As Selart et al. (2008) argue that creativity is crucial for companies if they wish to keep expanding successfully. Employee creativity is critical for survival and growth of organizations since it generates novel ideas and a wide range of new products and services (Bai et al., 2016). According to Eisenberger and Shanock (2003) research has shown that employees' creativity can increase in case of rewarding novel performance, and decrease in case of rewarding a conventional performance.

Clearly it is a big task for any manager to successfully utilize rewards to improve creativity of his/ her subordinates that needs experience, creativity, advanced management skills and a fully understanding for the subject and its elements from different angles. Organizations of high business awareness usually invest great efforts and financial resources to set up a creative environment at different levels. Enhancing the creativity of employees will in turn help their organizations to be more innovative (Amabile et al., 1996). Rewarding creative employees, including managers, is one of the main pillars of creativity management and it can be done after submitting new ideas or after evaluating the submitted ideas according to certain measures (Berman and Kim, 2010).

The ability of organizational rewards to impact employees' creativity and innovation is a proven fact in research. This impact, as several authors show, is still a very controversial subject (Eisenberger and Byron, 2011; Yoon et al., 2015; Yoon et al., 2015<sup>1</sup>). For instance researchers value this impact between negligible to very strong and between very positive to very negative. The active debate now is not about "why" to reward creative people rather than about "what" to reward them, "when" to reward them and "what" are the possible effects of these rewards. Eisenberg (1999, p. 251) believes that research shows a "complex" relationship between rewards and creativity since rewards increase creativity in some cases and undermine creativity in others.

In their study about the relationship between creativity and rewards Eisenberger and Shanock (2003, p. 121) stated that "*Three decades of research have failed to produce general agreement concerning the effects of reward on creativity*"; in which they believe the reason behind their claim is not the complexity to understand the findings of studies but rather the

differences in understanding human nature and behavior. Several years after this commentary Yoon et al. (2015, p. 1162) wrote that “*prior researchers have not provided a consistent view regarding the role of rewards in inducing individual creativity*”. Reading the previous statements gives the reader an impression that scholars are in a total agreement when it comes to the necessity for further studies to thoroughly investigate all the possible scenarios which different types of rewards may play in affecting employees’ creativity and innovation positively or negatively. As examples of the latter debate regarding the consistency of the existing studies about this subject is Kohn (1999, p. 314) when he said; “*it is simply not possible to bribe people to be creative*”, or Yu Zhou, et al. (2011) who claim that there is evidence that shows strong relationship between giving significant monetary rewards to employees on improving their innovation behaviors but there is a disagreement about the effectiveness of this approach.

### **1.3. Problem formulation and purpose**

Woodman et al. (1993) dispute that rewards form elements of the organizational characteristics which can be used as enhancers for organizational creativity or as constraints especially when employees’ creative performance gets evaluated rigorously and linked tightly with extrinsic rewards system. Although rewards can enhance employees’ creativity but the impact of the extrinsic rewards may relate to other organizational factors, for instance the commitment of employees to creativity, and how they perceive the importance of such rewards (Yoon et al., 2015).

Several researchers strongly believe in the power of intrinsic rewards since they can motivate people, whereas extrinsic rewards may fail, adding to their advantage of being free. Friedman (2009) argues that there are two main camps of researchers who adopt opposite opinions regarding the effect of extrinsic rewards on employees’ creativity. The first one believes that extrinsic rewards, especially the expected ones, undermine employees’ intrinsic motivation and thus creativity while intrinsic rewards can do the opposite action, with examples of studies such as; Amabile, 1983; Amabile, 1996; Deci, Koestner & Ryan, 1999; and Deci & Ryan, 1985 (Friedman, 2009, p. 258); and Kanter, 1984; Quinn, 1985; and Adams, 1986 (Roffe, 1999, p. 234) . On the other hand the second camp of researchers such as; Eisenberger et al., 1999; Eisenberger and Rhoades, 2001; and Eisenberger and Shanock, 2003 claim that

extrinsic rewards, even the promised ones, enhance creativity and that study limitations is the reason behind the discrepancy between the two groups (Friedman, 2009, pp.258-259). Extrinsic monetary rewards can also be used by organizations to encourage managers to carry the risk of embracing new innovative projects (Hutchison-Krupat and Chao, 2014).

For decades there has been great popularity of extrinsic monetary rewards systems in place in numerous organizations in the world. This makes most of us stand side by side with the second camp of researchers regardless the reported minor negative consequences of such systems. As an example Google Inc. company reported that it is a tenet in the company to give significant rewards for creative individuals and teams in order to keep the steam of innovation going and powerful inside the company and ensure the alignment of employees' interests with the company's ones (*Google, Inc. - Annual Report, 2009*).

Based on the forgoing argument the purpose of this study is to examine whether rewards support or hinder employees' creative and innovative performance, and to propose a new pragmatic categorization of organizational rewards. The study questions are:

- Q1. Do intrinsic rewards support or hinder organizational creativity and innovation?
- Q2. Do extrinsic rewards support or hinder organizational creativity and innovation?

#### **1.4. De-limitations**

The topic of this thesis is a very branched subject, therefore only the interrelationship between rewards, intrinsic and extrinsic, and employees' creativity and innovation is going to be scrutinized. The studies which have been used to realize the results of this thesis are field studies found in peer-reviewed articles published in recognized journals. Section (4.1) in the method chapter gives further details on the inclusion and the exclusion criteria.

#### **1.5. Thesis's structure**

The structure of this thesis is formed of six main parts plus references and appendixes. Below is a summary of the content of each part:

**Introduction:** This chapter will give an introduction about the subject of the study and its structure, present the research problem and its elements, and declare the research purpose and questions.

**Theory:** Sufficient details from literature related to the topic of the study will be exhibited in this chapter so that the reader will have a clear picture about the theory that supports and explains the study purpose and results.

**Conceptual model:** A built model from the theory which will help analyzing the results.

**Method:** This chapter will clarify the type of study, how it has been conducted, how the information has been collected, which information has been included and excluded from the study and the reasons behind the data selection and evaluation processes.

**Results:** This chapter will exhibit the obtained results from the selected literature in a pragmatic way that serves the forthcoming analysis.

**Results discussion:** This chapter will discuss the found results from the selected studies and try to draw a red thread between all the findings in a way that makes it easier for the reader to see the interrelationship between the different elements of the study and how they affect each other. Reasoned confirmations or rejections for the hypothesis will be drawn from the originated results.

**Conclusions:** This chapter will summarize the study purpose, methodology and main results, with a possibility to suggest new ideas for future results about or related to the study topic and/ or suggesting a new model that sums up the findings of the study in one compacted view.

**References:** This part contains a list of bibliography of the references which have been used in this study. The list is organized in an alphabetical order based on the names of the first authors or the name of the publishing entities and according to Harvard: The University of West London referencing style.

**Appendixes:** Two appendixes in this part which contain further details of related information appearing in the chapters of this study.

2

# Theory

## 2. Theory

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### Chapter overview

In order to present a comprehensive image about the elements of this study's topic without breaking the borders of the subject, the forthcoming sections of this theory chapter are going to identify these elements and shed light on the interrelationship between all the presented elements and factors. As proposed in chapter one the purpose is to examine the impact of organizational rewards, both intrinsic and extrinsic, on employees' creativity and innovation within the organizational environment. A simple analysis of the study's purpose suggests the following topics to be studied; intrinsic rewards, extrinsic rewards, employees' creativity and innovation, creativity theory, and factors of the organizational environment. The coming sections are going to elaborate these elements. Figure (2.1) gives an overview of the study title, purpose and heading of the theory chapter.

<b>Study title</b>	Understanding the Impact of Rewards on Employees' Creativity and Innovation
<b>Study purpose</b>	To examine the impact of organizational rewards on employees' creativity and innovation within the organizational environment
<b>Theory chapter</b>	<ul style="list-style-type: none"><li>2.1. Creativity theory</li><li>2.2. Creativity and innovation in organizations</li><li>2.3. Components of creativity and componential theory<ul style="list-style-type: none"><li>2.3. 1. The relationship between creativity and innovation</li></ul></li><li>2.4. Organizational rewards<ul style="list-style-type: none"><li>2.4.1. Rewards and employees' motivation</li><li>2.4.2. Rewards and organizational factors</li></ul></li></ul>

**Figure 2.1:** Overview of the study title, purpose and headings of the theory chapter

## 2.1. Creativity theories

Creativity is a homogeneous mixture of several disciplines such as; psychology, human management and economy. Its diversely emerged roots link it with a wide range of ideas which originate from these disciplines. This richness makes the researchers in this field propose different categorizations for the theories since it is a matter subjected to open discussion. Table (2.1) below exhibits a number of known categories, the assertions behind each type and gives examples of studies from each specific category as suggested by Kozbelt et al. (in Kaufman and Sternberg, 2010, pp. 27-28).

**Table 2.1**

*Categorization of theories of creativity, source: Summary of theories of creativity by Kozbelt et al. in Kaufman and Sternberg, 2010:27-28*

<b>Category</b>	<b>Primary assertion</b>	<b>Major studies</b> (for more details see Appendix A)
Development	Creativity develops over time; mediated by an interaction of person and environment.	Helson (1999); Subotnik & Arnold (1996); Albert & Runco (1989)
Psychometric	Creativity can be measured reliability and validity; differentiating it from related constructs.	Guilford (1968); Wallach & Kogan (1965)
Economic	Creativity ideation and behavior is influenced by market forces and cost-benefit analysis.	Rubenson & Runco (1992, 1995); Florida (2002); Sternberg & Lubart (1992, 1995)
Stage & Componential Process	Creativity expression proceeds through a serious of stages or components	Wallas (1926); Runco & Chand (1995); Amabile (1999)
Cognitive	Ideational thought processes are foundational to creative persons and accomplishments	Mednick (1962); Guilford (1968); Finke, Ward & Smith (1992)
Problem Solving & Expertise-Based	Creative solutions to ill-defined problems result from a rational process, which relies on general cognitive process and domain expertise.	Ericsson (1999); Simon (1981, 1989); Weisberg (1999, 2006)
Problem finding	Creative people proactively engage in a subjective and exploratory process of identifying problems to be solved.	Getzels & Csikszentmihalyi (1976); Runco (1994)
Systems	Creativity results from a complex system of interacting and interrelated factors.	Gruber (1981); Csikszentmihalyi (1988); Sawyer (2006)

Several theories between these in Table (2.1) have been used by researchers to explain the impacts of extrinsic and intrinsic rewards on employees' motivation, creativity and innovation especially in empirical studies where there is a need for a supportive theoretical background. Regardless this fact, there are still researchers like Lindenberg (2001) who believes that currently there are no widely accepted theories on the relationship between rewards and motivation. One rational reason behind this belief can be, for instance, the usage of more than one theory to explain a specific impact of rewards on people motivation and creativity; a practice which have been widely utilized in literature.

## **2.1. Creativity and innovation in organizations**

Studying creativity and innovation in the context of organization can shed light from a different angle on the topic that makes it more visible in a practical perspective through a better understanding of the involved factors and the nature of the interrelationship between them. Woodman et al. (1993, p. 293) identify organizational creativity as "*the creation of a valuable, useful new product, service, idea, procedure, or process by individuals working together in a complex social system*", and characterize it as "*a subset of the broader domain of innovation*". The relationship between creativity and innovation is present as well in the organizational context. For instance, Amabile (2005, p. 367) argues that discussions of organizational creativity is a central milestone in the discussions of organizational innovation. Amabile's argument, as Wang and Tsai (2013) claim, is shared by several researchers in the field of organizational creativity and innovation.

Organizations usually need to spend potential human efforts and financial resources, and set clear strategies in order to be able to create a coherent innovative climate between their employees. It is not enough to have only creative employees in order to transform regular organizations to innovative ones; instead organizations need to encourage creativity of their employees by supporting and promoting a creative work environment so that novelties can be turned from ideas to real outcomes (Usta and Unsar, 2015). It is required as well to set proper rewards systems that compensate innovative employees for their creative outcomes (Roffe, 1999). Even delicate changes in the organizational environment, such as managerial practices, can cause a noticeable increment in employees' intrinsic motivation which in turn positively affects organizational creativity (Amabile, 1989). On the other hand organizational

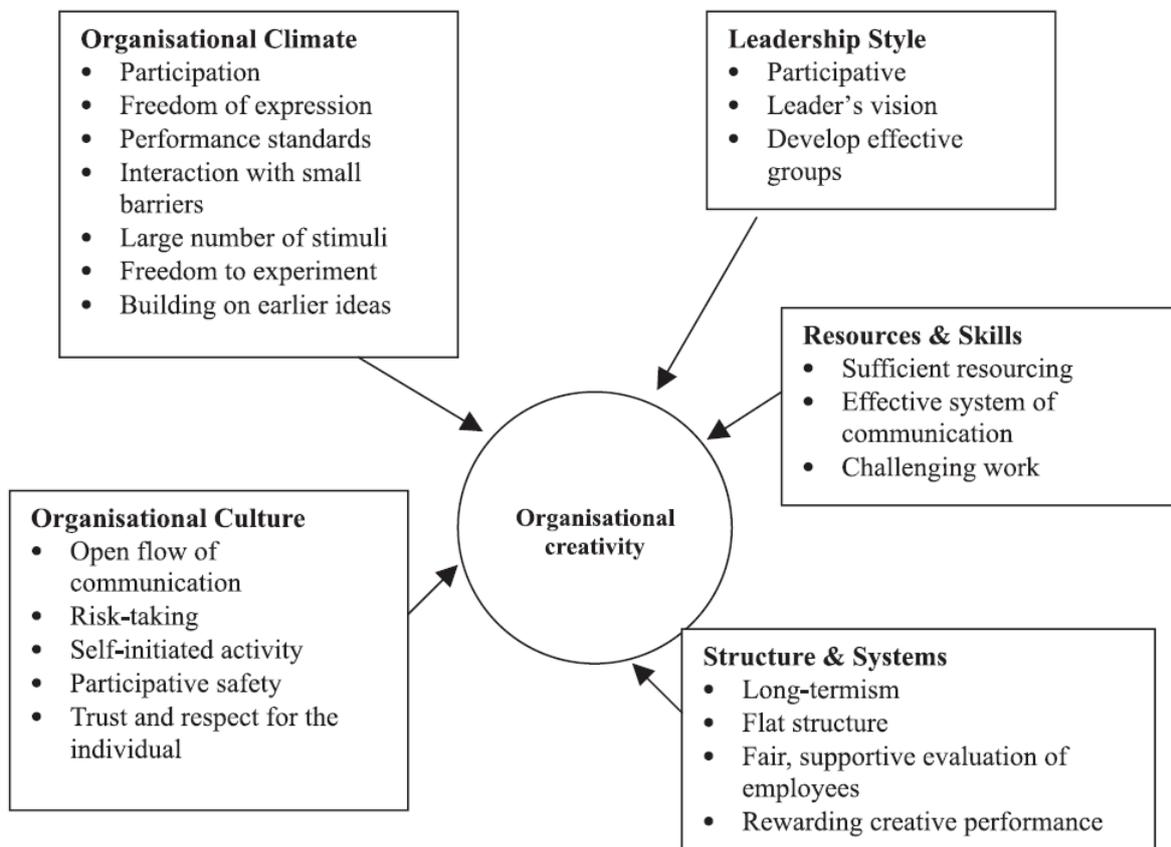
creativity can be killed with wrong practices such as routines of tight job deadlines (Amabile, 1989).

Khan et al. (2009, p. 678) claim that a summary of several studies suggests a number of factors to support organizational innovation, which are; “leadership”, a “creativity work environment”, style of managerial supervision and job complexity, and organizational climate and culture. Amabile (1997, p. 48) coined six factors as conditions for organizational creativity which are summarized in Table (2.2) from the table which she suggests in her study.

**Table 2.2**  
*Conditions for organizational creativity, source Amabile, 1997:48*

<b>Organizational culture</b>	<ul style="list-style-type: none"> <li>• Fair constructive judgement of ideas.</li> <li>• Fair reward and recognition for creative work.</li> <li>• Mechanism for sharing and developing new ideas.</li> </ul>
<b>Supervisory encouragement</b>	<p>The supervisor:</p> <ul style="list-style-type: none"> <li>• Serves as a good work model.</li> <li>• Sets goals appropriately.</li> <li>• Supports and shows confidence in the work group.</li> <li>• Values individual contributions.</li> </ul>
<b>Work group supports</b>	<ul style="list-style-type: none"> <li>• Diversely skilled work groups.</li> <li>• People communicate well and open to new ideas,</li> <li>• People trust, help and challenge each other’s work constructively.</li> <li>• People feel committed to work.</li> </ul>
<b>Sufficient resources</b>	<ul style="list-style-type: none"> <li>• Access to appropriate resources, including funds, materials, facilities and information.</li> </ul>
<b>Challenging work</b>	<ul style="list-style-type: none"> <li>• A sense of having to work hard on challenging tasks and important projects.</li> </ul>
<b>Freedom</b>	<ul style="list-style-type: none"> <li>• Freedom in deciding what work to do or how to do it; a sense of control over one’s work.</li> </ul>

In Figure (2.2) Andriopoulos (2001, p. 835) attempts to visualize the factors affecting organizational creativity and explains how they affect and interrelate to each other. Five main groups of factors are identified as requirements of a creative environment in which rewards for creative performance is one of them. Even though Andriopoulos does not suggest any weight for the factors, he emphasizes on the importance of rewards in supporting or hindering creativity by affecting employees’ intrinsic motivation (Andriopoulos, 2001, pp. 837-838).



**Figure 2.2:** *Factors affecting organizational creativity, source: Andriopoulos, 2001:835*

The studies' results of Amabile (1997), Andriopoulos (2001) and Khan et al. (2009) show several shared factors of organizational creativity. These factors may act as supporters or hinders for the organizational creativity when they exist as fragments of the organizational environment and the work culture. For instance asking innovative employees to work on simple jobs will not encourage them to be more creative, at the same time asking adaptive style employees, the ones who work on routine jobs, to work on complex jobs may make them feel hopeless and undermine their motivation. Another factor is that when employees have good communication between each other this will create a high level of shared understanding, cooperation, learning and problem solving; an ideal environment for creativity and innovation. A rational freedom of choice, availability of needed resources, and a fair treatment by management for the employees with trust and respect are all examples of factors which can support organizational creativity. On the other hand neglecting or misusing these factors will demotivate the affected personnel and undermine organizational creativity.

### 2.3. Components of creativity and componential theory

The components of creativity model by Amabile (1998, p.78) suggests that organizational creativity is fashioned from three components; motivation, expertise and creative thinking. Motivation here refers to the enthusiasm of the employee and the desire to solve a problem which indeed represents the intrinsic passion for creativity, while personal knowledge and imagination are needed as necessary expertise and creative skills for creativity (Amabile, 1983, 1998). Through her continuous research in this field Amabile has developed her components model and presented it again under the title of “the componential theory of creativity” in which she renamed the “creative thinking skills” component to “creativity relevant processes” and introduced a fourth component, extrinsic one this time, which she named the “social environment”. Amabile (1997) argues that the aim of this theory is to properly coin all of the major elements within organizations that influence creativity and innovation. Figure (2.3) depicts the major elements of the componential theory wherein both individual creativity and work environment are integrated, as suggested by Amabile (1997, pp. 51-52).

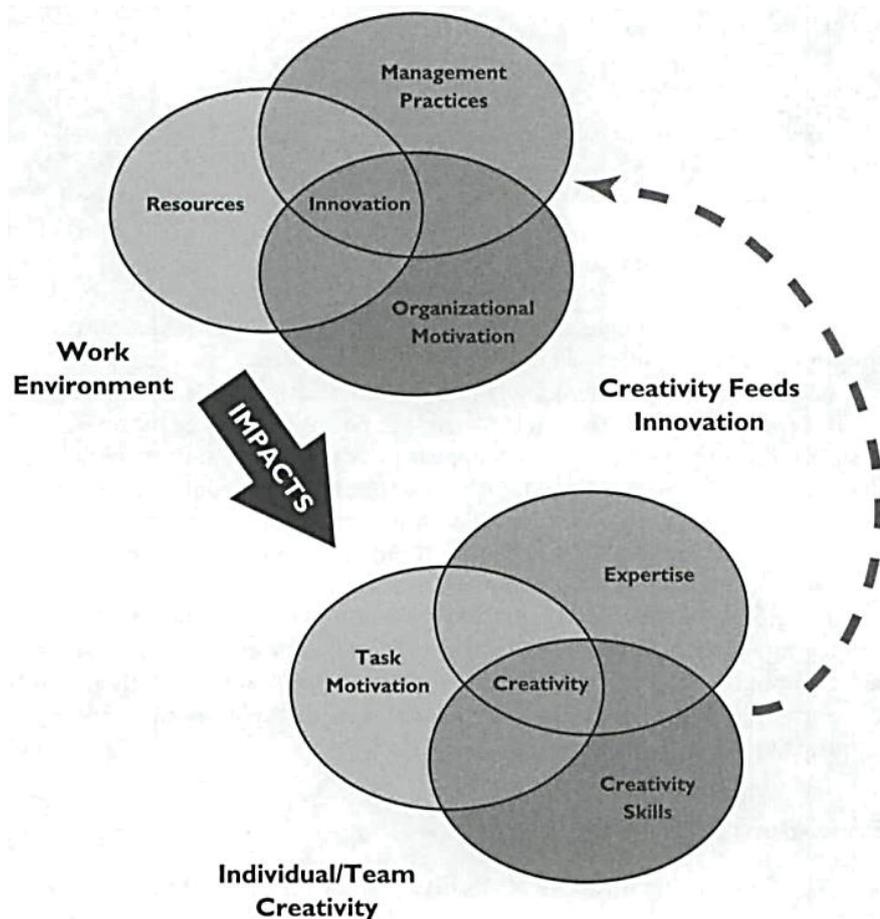


Figure 2.3: Elements of componential theory, source: Amabile, 1997:52

Organizational rewards are one of the factors contributing to organizational creativity and innovation in Amabile's componential theory. According to Wang and Tsai (2013) Amabile has proposed rewards in order to motivate people. They gave examples of three companies; Airco Industrial Gases, Du Pont and The Body Shop which were able to utilize organizational rewards, between other tools, successfully to foster their employees' creativity and innovation (Wang and Tsai, 2013, p.318).

Amabile (2012) argues that the new componential theory model comprises organizational implications for both creativity and innovation, and that a central principle in this theory is that people's creativity is at most when they are intrinsically motivated by self-satisfaction, enjoyment and work challenge rather than extrinsic motivators. This goes in-line with the ideas of Ryan and Deci in several of their studies who address intrinsic motivation as an important component in the creativity process. However, Amabile (2012) claims that her componential theory is distinctive from the psychologically-based creativity theories, since it is an actual multi-level one which describes the process of organizational innovation. Moreover this theory highlights the impact of organization environment on people motivation. The analysis of Amabile's work over several years tell us that the componential theory was a trial to unify organizational creativity and innovation in one model as they go together in real life, and to understand the role of the environment in this interrelationship.

### **2.3.1. The relationship between creativity and innovation**

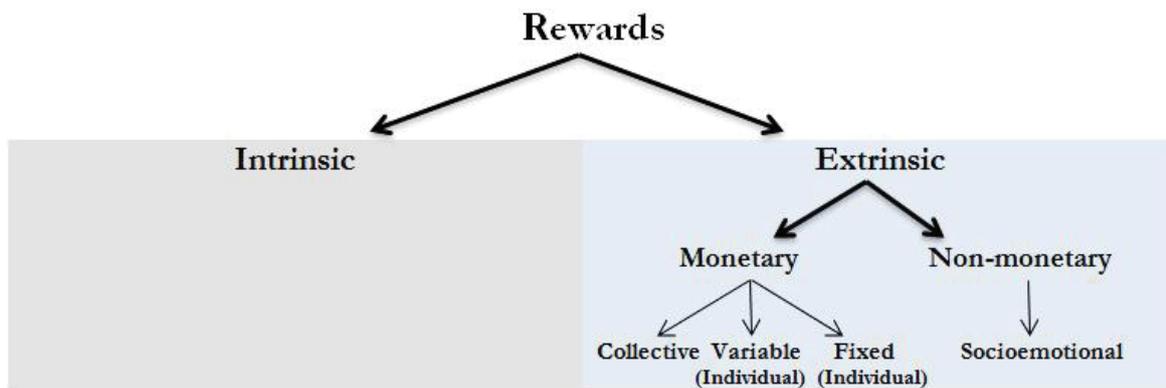
Readers of creativity or innovation research may realize after a short reading in the subjects that these two terms come very often together in literature. The componential theory is just one example which includes both creativity and innovation since there is a close interdependence between them. This interrelationship between "creativity" and "innovation" seems to be very close that made authors using them interchangeably in recent publicity for innovation (Roger et al., 2010, p. 32), and literature (Mann and Chan, 2011; Kahl et al., 1999, p. 1). It could be the common ancestry of creativity and innovation behind this belief. "*Creativity is the seed of all innovation*" (Amabile et al., 1996, p. 1155); both are strongly and positively connected since the innovation process itself is a combination of creativity and innovation (Sarooghi et al., 2015, p. 714). Some literatures consider creativity and innovation

as “*discipline-based synonyms*” (Gronhaug and Kaufmann, 1988; Wehner et al., 1991 cited in Oddane, 2015, p. 36), and many researchers consider them related to each other (e.g., Amabile et al., 1996; Shalley and Gilson, 2004; Sarri et al., 2010; Oddane, 2015). This interrelationship seems to be a proven fact in theory as well as in practices of many fields. For instance it is argued that creativity is the first obligatory step for innovation (Amabile, 1996; O’Shea and Buckley, 2007; Lin and Liu, 2012), and the root of innovation (Lin and Liu, 2012, p. 56). Regardless their close interrelation, some literature have addressed minor differences between creativity and innovation. Creativity comprises the creation of useful and novel ideas while innovation requires turning these ideas into new process and products (Gurteen, 1998; Oddane, 2015; Sarooghi et al., 2015). Astonishingly some difference just coin this close interrelationship between creativity and innovation, as O’Shea and Buckley (2007, p. 102) argue that “*creativity produces innovation*” while “*innovation produces creative ideas*”.

## **2.4. Organizational rewards**

Organizational rewards refer to all the financial and non-financial benefits which an employee gains through his/ her, relationship with –or- service in, an organization (Malhotra et al., 2007). Rewards are given in order to fulfil different organizational goals. As proposed in several studies managers can encourage creativity and innovation at work by using rewards that recognize employees’ competences (Amabile 1998; Amabile and Fisher in Locke, 2012; Amabile, 2012). Rewards motivated creativity has strong impact on innovative performance (Eisenberger and Shanock, 2003). Organizational rewards play a critical role in determining the ability of employees to achieve a high level of performance (Ozutku, 2012). According to Edwards (1989) reward system for creativity can change the organizational behavior from a political dominated to a reward system based on creativity and performance where every contributor in the new system can be seen.

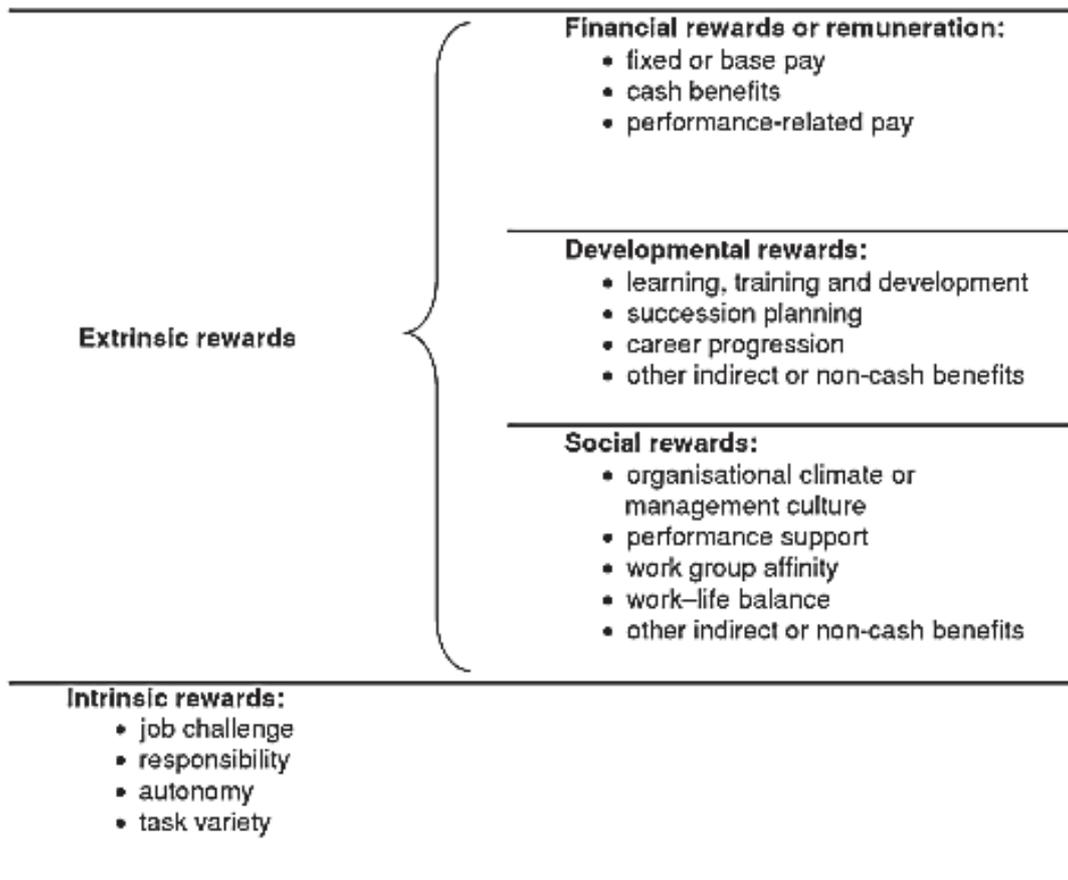
Organizational rewards usually involve a very wide range of elements. Researchers have suggested several ways for categorizing rewards based on different criteria. In Figure (2.4) Chen et al. (1999, p. 49) classify rewards into two main categories; intrinsic and extrinsic, and the latter type into non-monetary and monetary, furthermore they classify the monetary rewards into three types; collective, variable and fixed.



**Figure 2.4:** *Taxonomy of organizational rewards, source: Chen, et al., 1999:49*

Extrinsic monetary rewards can be collective which are given to a wide classification of employees, or individual which can be given as fixed and/ or variable quantities to certain individuals (Chen et al., 1999, p.49). Monetary rewards involve spending money by the employers in several possible ways such as salary and stocks, while non-monetary rewards are free and thus cannot be reported under any circumstances as financial costs. Yu Zhou et al. (2011, pp. 84-85) mention different types of non-monetary motivators such as; (1) creating an active innovative environment inside the firm based on recognition and encouragement; (2) enriching empowerment and responsibility of employees; (3) setting reasonable and/ or innovative goals and challenges; (4) establishing good communication in the firm; (5) providing necessary and comprehensive training and learning opportunities; (6) providing good job opportunities including task variety, job rotation and development, and (7) sustaining good employees' interpersonal relationships. The non-monetary social rewards can also result from the personal interrelations between employees at work (Newman and Sheikh, 2012), such as the ones between a manager and his/ her subordinates. Most of the previous factors are elements in Amabile (1997), Andriopoulos (2001) and Khan et al. (2009) studies who proposed them as key elements of the organizational creativity.

Chen, et al. (1999) are not the only researchers who classify rewards as intrinsic and extrinsic. This categorization is a preferred one by other scholars as well. For instance Shields et al. (2015, p. 12) classifies rewards as extrinsic and intrinsic as exhibited in Figure (2.5), and within each of the two main groups there is a number of sub-groups and elements.



**Figure 2.5:** *Components of total reward system, source: Shields et al., 2015, p.12*

Figure (2.5) illustrates the most common examples of intrinsic and extrinsic rewards which are used to compensate and motivate employees. The model suggests four groups of rewards which can be given based on the employee's performance and position. It is up to each organization to decide what to give, when to give and for whom. As suggested by Shields (2015), financial rewards and remunerations is the only group of rewards which involves receiving direct monetary rewards from the employer. All the rest three groups of rewards are even indirect monetary one such as training in the development rewards group, or non-monetary extrinsic one such as the organizational climate in the social rewards group, or non-monetary intrinsic one such as autonomy in the intrinsic rewards group. The full set of rewards is usually given exclusively to top managers, while the only secured reward in all organizations for all employees is the base salary.

There are noticeable differences between intrinsic and extrinsic rewards that shape their characteristics and purposes of use. Intrinsic rewards arise from individuals and include elements such as a feeling for achievement and responsibility, while extrinsic rewards arise

from organizations or people and include elements such as salary and working environment (Mullins, 2010). Even feedback from managers is classified as reward as Amabile (1997, p. 45) claims since it can provide useful information for employees that help to improve their performance. Whittom and Roy (2009, n. p.) summarize the general difference between intrinsic and extrinsic rewards into four main categories which are; definition, nature, advantages and disadvantage as in Table (2.3). Managers can make advantage of the differences in characteristics of organizational rewards. For instance using non-monetary (non-material) rewards implies no cost for the organization, however, for many employees extrinsic monetary (material) rewards are very welcomed in return for high performance.

**Table 2.3**

*Characteristics of extrinsic and intrinsic rewards, source: Whittom and Roy, 2009*

	<b>Extrinsic rewards</b>	<b>Intrinsic rewards</b>
<b>Definition</b>	Under the organization’s control, external to the individual and universal	From within the individual, and related to task achievement
<b>Nature</b>	Material, financial or not, or non-material	Non-material
<b>Advantages</b>	Relatively simple to use, fair	No cost for the organization
<b>Disadvantages</b>	May be costly	Under the individual’s control

Even though rewards, both intrinsic and extrinsic, play a key role in the process of building a creative environment, it is still important to know that rewards can help to flourish or disrupt employees’ creativity depending on how they have been utilized and the organizational environment. The key, as Sawyer (2014) claims, is to carefully design rewards systems. In this context a careful design means to choose all the elements of the rewards system and their values and/or timing based on tested theory and accumulated organizational management experience. Appropriately designed rewards systems can support employees’ intrinsic motivation which in turn positively affects their performance and innovation (Markova and Ford, 2011; Hafiza et al., 2011). In contrary, inefficient rewards may demotivate employees (Hafiza et al., 2011). Apart off the argument of the value of rewards there are a few recommendations to remember, such as; the rewards package should be a shared concern of both the employers and the employees, and that management needs to make the best usage of the given rewards so that both individuals and organizations can achieve their goals (Sajuyigbe et al., 2013).

### **2.4.1. Rewards and employees motivation**

Amabile (2007<sup>1</sup>, p. 20) argues that decades of research have shown that people motivation for creativity depends on several factors of which rewards is one of them. While some studies suggest a direct relationship between rewards and employees' performance (e.g., Hafiza et al. (2011), other studies propose motivation as a mediator between peoples' creative and innovative performance and rewards (e.g., Eisenberg, 1999; Markova and Ford, 2011; Yoon et al., 2015<sup>1</sup>). Peoples' creative performance is positively related to personal motivation (Amabile, 2012; Jovanovic and Matejevic, 2014). This relationship tells us that creative organizations must have a number of highly motivated employees. Amabile (1997) argues that the initial motivation status of the person is an important factor that can decide the final impact of organizational rewards on the person's creative performance. Thus, in many cases when employees are passionately interested in the work they do it does not matter what kind of de-motivators they are exposed to since such factors can not diminish the passion they possess to reach their goals.

Innovative employees are powered by their high motivation. If the managers of an organization can affect its employees' motivation then they can ensure controlling an important element of its creativity strategy. Obviously any positive impact of rewards on employees' motivation will create a new positive impact on their creativity and vice versa. The impacts of rewards on peoples' intrinsic motivation for creativity have got a distinct attention in psychological and business studies, especially by scholars like Amabile and Deci who support the cognitive evaluation theory and used it to explain the interrelationship between the factors of the creative environment. There is a general belief in a large number of studies that intrinsic rewards can increase organizational creativity and innovation through their positive impact on employees' intrinsic motivation. This impact, in most cases, is more important than the one of extrinsic rewards can make, and this is because intrinsic rewards always have positive outcomes and that extrinsic rewards may help to generate a negative effect on creativity in different circumstances. For instance several researchers argue that extrinsic rewards impair people motivation since they can shift the sole reason behind their motivation from an internal reason to an external one (e.g., Ryan and Deci, 2000; Amabile et al., 1994). The theory of Ryan and Deci presupposed a negative impact of extrinsic motivators such as rewards on intrinsic motivation (Cameron and Pierce, 2002), which in turn lessen peoples' motive for creativity and innovation.

### **2.4.2. Rewards and organizational factors**

Numerous studies suggest that successful organizational innovation depends upon successful management of the factors affecting the innovation process (Bhatnagar, 2014). Rewards have been addressed in many studies as important elements which can positively or negatively affect employees' creativity and innovation. However studying rewards may not be enough to understand their impacts since the organizational environment has several factors which can support or hinder the impact of these rewards. Amabile (1998, 2012) argues that it is important to understand the environment within which rewards are given. Knowing that the factors within the organizational environment have even stronger effect on extrinsic rewards than intrinsic ones since the latter one is personal and cannot be controlled by external forces. Ryan and Deci (in Cameron and Pierce, 2002) dispute that it is important to consider the rewards-related factors in order to fully understand the impacts of extrinsic tangible rewards. The list of the factors is long and it can be very specific as well for each case. The coming passages are going to elaborate further on several of these factors.

#### **Employees' perception of rewards**

Another important factor is how rewards are perceived by employees including the monetary value of the rewards. Amabile (1998, p. 79) believes that extrinsic rewards often are perceived as a "carrot" or a "stick" and that in many occasions the efforts of bribing and controlling people by using extrinsic rewards can give a negative outcome. De Clercq et al. (2015) argue that rewards can constrain product innovation if receiving them by creative individuals is connected to the achievements of other people, such as work colleagues, who show much less commitment to creativity. This may lead the highly creative employees to think that they were unfairly treated by comparing their outstanding achievements to other colleagues of less creative contribution.

Cultural differences can be a dominant reason that shapes employees perception of rewards. Eisenberg (1999) reported that differences between individualistic and collectivist cultures have sound influence on the interrelationship between rewards, motivation and employees' creativity and innovation. He found that rewards have more impact on collectivists' motivation and creativity performance when they are group-based, controlled internally by one or more members in the same group and when they are linked to compete with members

outside the group; while the impact of rewards on individualistic-culture employees is high when they are individual-based and internally controlled (Eisenberg, 1999).

### **Quality of work**

Studies found a relationship between rewards and the type and quality of the delivered work. Amabile (2012) argues that motivators like extrinsic rewards can stimulate creativity when they are used appropriately to recognize a creative work, and can form an obstacle for creativity if they are misused when rewarding the quality of job. As proposed by several studies; rewarding high quality and performance jobs will increase employees' motivation and creativity while rewarding small achievements or low quality outcomes can cause the opposite impact (Eisenberger and Selbst, 1994; Eisenberger and Cameron, 1996; Cameron and Pierce, 2002; Eisenberger and Shanock, 2003; Sawyer, 2014).

### **Rewards dependency**

Tightly connecting extrinsic rewards to employees' performance may turn them to be people hungry for money and undermine their intrinsic motivation in cases when they do not get rewarded (Kohn, 1999, p.139). Performance dependent rewards are less likely to have positive impact on supporting creativity, and may even undermine creativity (Byron and Khazanchi, 2012). In fact in many organizations rewarding employees based upon their creativity is still a general practice. Eisenberger and Byron (2001) claim that participants in the studies of this subject usually have got rewards after a few times of creativity achievements, and that was done after a verbal communication.

Employees with adaptive style who prefer routines and ordinary job tasks can be more creative when they are rewarded for achieving simple job tasks and less creative when the tasks are complex; while employees with innovative style who welcome new tasks and enjoy challenges do not get affected by creativity-dependent rewards for doing complex job tasks and show less creativity when they are rewarded for achieving simple tasks (Baer et al., 2003). Friedman (2009) argues that failure to receive the promised rewards may decrease self-determination, albeit the perceived self-determination of people has no role in the relationship between rewards and creativity. In fact Cameron and Pierce (2002) suggest no effect for reward-dependency on creativity. Eisenberger and Rhoades (2001) do not support Friedman –and- Cameron and Pierce opinions since they believe that creativity-dependent

rewards enhance employees' self-determination which in turn support their creative ability. Finally Task completion and participation-contingent rewards found to undermine creativity (Cameron and Pierce, 2002; Eisenberger and Byron, 2011).

### **Utilization of rewards**

The way of using rewards by organizations and the timing are important factors as well. Cameron and Pierce (2002) argue that the aggregation of all types of rewards does not give a negative impact on intrinsic motivation, such as when combining tangible with verbal with expected with unexpected rewards. The same result was found by Antikainen and Väättäjä, (2010) who claim that the best impact on employees' motivation for innovation occurs when combining both extrinsic and intrinsic rewards.

### **Timing/ expectancy of rewards**

It is important that organizations choose the right time to reward their employees such as when there is a need for external motivators in order to push forward the innovation process. As suggested by Amabile (1997) timing of rewards can positively or negatively affect the desired impact of organizational rewards. Cameron and Pierce (2002) found that extrinsic tangible rewards do not have a negative impact when they are unexpected, while they can have positive or negative impacts when they are expected depending on the reasons behind giving these rewards.

### **Value of rewards**

Rewards can increase creativity depending on their value, number of times given and choice of selectivity (Eisenberger and Byron, 2011). Rewards fairness, as perceived by employees, can be a good tool to encourage their innovative behavior (Janssen, 2000). Most probably when employees are not satisfied with the value of the received rewards they will not express an innovative attitude at work, at the same time reasonable limits should be set to regulate any rewards system otherwise winning the rewards will be the ultimate goal and not a tool to help reaching the real goal. Yip (2013) argues that it is critical when rewarding people to establish a reasonable balance between extrinsic and intrinsic rewards, and it is even more important that managers; the ones who reward, are fair and avoid any prejudice or bias which may affect the type and the value of the given rewards.

### **Social aspects of the work environment**

The aspects of social relations within the organizational environment between employees have a contribution in the discussions of organizational creativity (e.g., Perry-Smith, 2006; Baer, 2012; De Clercq, 2015). An active and healthy social interaction between the employees in the organization can help rewards to have much positive impact on employees' innovation since these employees have higher level of coherent and collective team work wherein members help each other all the time to overcome problems and actively improve process and products (De Clercq et al., 2015).

### **Job rotation and autonomy**

Job rotation gives a kind of freedom for employees to rotate between different positions or responsibilities inside their units or organizations. Martins and Terblanche (2003) argue that job flexibility, including job rotation, supports employees' creativity and innovation. It can help employees to learn new things, acquire interesting challenges, and positively enhance employees' cooperation and social skills. De Clercq et al. (2015) claim that job rotation enhances the acquisition of employees' knowledge, and this in turn gives a support for their innovative ability.

Autonomy, or the sense of freedom in how to do ones work (Amabile, 2012, p. 5), has been a matter of discussion in literature as a factor of organizational creativity. Amabile (1998, 2012) links job autonomy to employees' satisfaction and creativity since such employees have more freedom to do challenging work. Mumford (2000) disputes that higher job autonomy may contribute to creativity if employees were given the chance to choose the work they like to do and the conditions of the work environment. In contrary, De Clercq et al. (2015) and Eisenberger and Aselage (2009) argue that higher job autonomy can undermine the collective efforts of employees to reach their organization's goals.

### **Training**

Job training means using theoretical and practical teaching methods to increase the knowledge and skills of an employee and prepare him/ her to do an accurate job in order to help the organization achieve its goals. Training can be specific on a certain subject or general on several topics. Employees who got adequate training is certainly more prepared to deliver creative and innovative outcomes. Burroughs et al. (2011) found that providing

appropriate creativity training will inforce employees' intrinsic motivation and encourage them to be more creative, which goes in line with Eisenberger et al. (1998) and Eisenberger and Selbst (1994) studies' results which support the idea of providing beforehand adequate creativity training and clear instructions about the desired creativity tasks make people more creative when they get rewarded.

**3**

# Conceptual Model

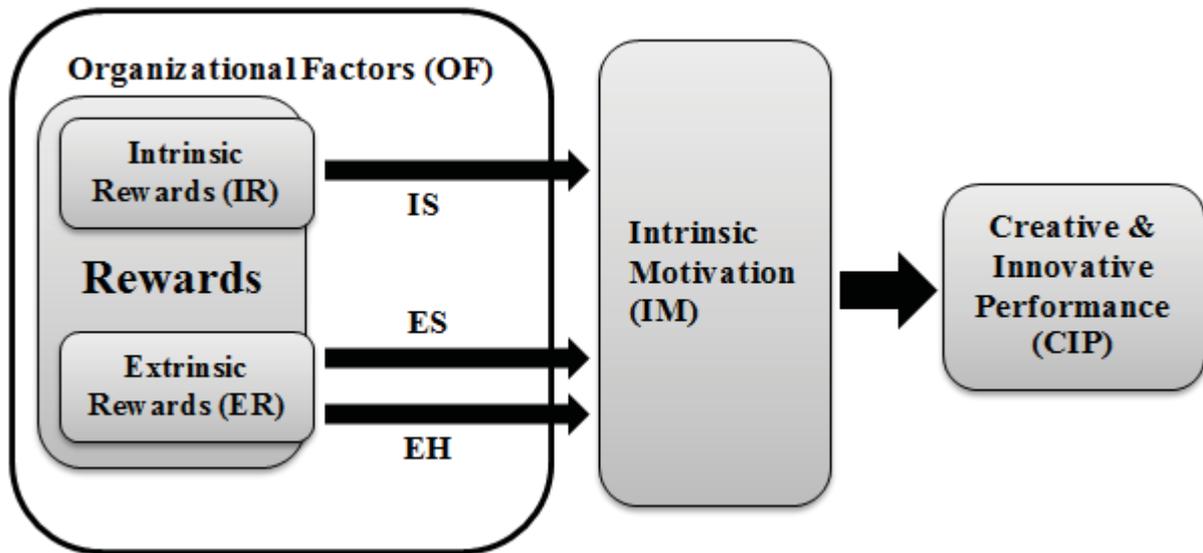
### 3. Conceptual model

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Figure (3.1) reveals a proposal of a conceptual model which this study will be using to analyze the results with the help of the “constant comparison analysis” which is exhibited in the method chapter in section (4.4). Since the presented theory is showing a close interrelationship between organizational rewards, creativity and innovation; the model assumes three possible scenarios for the anticipated impacts of organizational rewards which affect employees’ intrinsic motivation (IM). The three scenarios are:

- Intrinsic rewards (IR) serve as intrinsic supporters (motivators) (IS)
- Extrinsic rewards (ER) can serve as extrinsic supporters (motivators) (ES)
- Extrinsic rewards (ER) can serve as extrinsic hinders (de-motivators) (EH)

Motivation acts as a mediator between organizational rewards and employees’ creativity and innovation as argued by Eisenberg (1999), Markova and Ford (2011), and Yoon et al. (2015<sup>1</sup>). Since Amabile (2012) and Jovanovic and Matejevic (2014) propose a positive relationship between people creative performance and their motivation, this model connects employees intrinsic motivation (IM) to their creative and innovative performance (CIP) in an environment where several organizational factors (OF) exist and need to be considered. This goes in-line with Amabile (2012) theory who coined the importance of the impact of extrinsic factors in the organizational environment, and Amabile’s componential theory (Amabile, 1997) wherein work environment impacts individual creativity.



**Figure 3.1:** *The impact of organizational rewards on employees motivation and creativity: a conceptual model to explain the results; (IS): Intrinsic Supporters, (EH): Extrinsic Hinders, (ES): Extrinsic Supporters*

Simply the resulted impact of rewards on employees' creative and innovative performance will be the combination of all of the separated impacts plus impacts of organizational factors, such as:

$$\text{Total Impact} = \text{IS} + \text{ES} + \text{EH} + \text{OF}$$

Two assumptions will be used in order to support the explanation of the results which are:

- It is not a condition that any of the three rewards impacts exist in this equation for any given case.
- Any of the four impacts can vary between very weak –to– very strong, but they are not measurable by any mathematical unit.

The organizational factors (OF) will be derived in the result chapter from selected studies and used in the discussion chapter to explain the findings of this study.

# 4

# Method

## 4. Method

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In many cases of investigation using qualitative research methods are very useful since they offer in-depth understanding of the investigated issues (Skinner et al., 2000; Gill et al., 2008). In case of a literature review the results of the study will be summative ones of what already has been studied and identified in literature (Hart, 2012). This kind of qualitative studies depend on the author's evaluation and critical thinking and it can give good clarity and understanding of the research problem. It can provide as well a useful summary of what has been done concerning a specific topic within a certain period of time; short-to-very long, or by a certain research group. Usually such a summary includes studies from different countries in the world which have been achieved with the use of high financial resources, and done by a large number of professional academic researchers who carefully have studied thousands of participants of diverse; cultural, careers, and educational backgrounds. The obtained results from summarizing these studies can by no means be achieved in one empirical study. These examples are a few possible differences between a literature review study and an empirical one, however the main difference, according to Hart (2012, p. 147), is that a literature review study can have "long shelf-life" in terms of its contribution to literature. Empirical studies on the other hand are usually framed with limitations such as schedules, budgets, number of participants, regions of studies, and types of industries. Another critical characteristic of empirical studies is that they reflect the opinion of one or a few researchers about a certain topic. In contrary, literature review studies comprise richness of academic opinion. Further they are inexpensive, available locally, grounded in language, provide information on historical sequences and trends, and opportunities to study such trends over time (Frechtling, 1997, p. 71). This thesis is utilizing a few decades of research in the subject of this study in order to fulfil the purpose and act as a new invaluable source of knowledge in this topic.

### 4.1. Inclusion and exclusion criteria

The literatures which have been considered to realize the final results of this study were peer-reviewed articles which have been written in English language and published in known academic journals between the years 1986-2015 regardless the country of study. The chosen articles include merely studies that is comprised of primary data of empirical investigation of the impact of rewards; extrinsic and intrinsic or one of them- sometimes they would be called monetary and non-monetary or financial and non-financial, on employees' motivation for

creativity and innovation in organizations from both employees and employers perspectives. The organization size, type of business activities, the size of the sample used in the study and the country where the study has been conducted were not restrictions in choosing the used studies.

The literatures which have been excluded from being used to realize the final results of this study were; books, non-peer-reviewed articles, literature-review studies, companies' reports, peer-reviewed articles that got low grading for different reasons after the quality-evaluation process, studies that were executed outside the fiscal organizational environment, and studies wherein participants were not recruited by any form.

## **4.2. Literature search technique**

Key words which have been used to find the targeted articles are; reward combined with creativity or innovation. Boolean search method was used in the title and/ or the abstract fields of the search function to facilitate and shorten the search process and obtain the most useful and relevant articles. Most of the considered literature has been found through the library's web site of Blekinge Institute of Technology which offers free access to millions of information sources such as books and journals provided by a number of well-known international publishing companies such as; Sage, Springer, Wiley-Blackwell, Elsevier, and Taylor & Francis. Google advanced search service has been used to explore millions of data sources faster and reach precise results and to find, in some cases, the full text of articles which are not available to read on library's web site of Blekinge Institute. The reference lists of relevant articles were a good source for finding similar related studies.

Preliminary coarse search of the web data base through Blekinge library's web site resulted in a total of about 121 articles as a result of the three combinations; reward (in the title) + creativity (in the abstract); or; reward (in the title) + innovation (in the abstract). During this process the search functions of; "journal article" and "English" were active. Through the access of Blekinge library and by using the previous method and Boolean search 113 articles were found in the web libraries of Sage, Springer, Wiley-Blackwell, Elsevier, EBSCO and Taylor & Francis companies. The 113 articles compared with the first 121 and duplicates were removed.

### 4.3. Systematic Review of Literature

The resulted articles of the search process have been skimmed and evaluated based on the information in their abstracts and/or results/ findings/ conclusions parts. 25 studies have been chosen in the second selection which have relevancy to the purpose of this study and the research question. The chosen studies have been scoped and evaluated by using Hart (2012, p. 188) “*argumentation assessment criteria for the literature review*” as in Table (4.1) below. Only 11 articles with grade of “excellent” and “good” have been considered for this study analysis and the remaining 13 ones have been neglected since they have been graded as “adequate” or omitted according to the exclusion criteria. In Table (Appendix B) only findings which are useful for the analysis of this study are mentioned in the results column.

**Table 4.1**

*Argumentation assessment criteria for the literature review, source: Hart, 2012, p.188*

<b>Argumentation and critical awareness</b>	<b>Grade</b>
Excellent use of analysis and structures of argumentation to analyze and synthesize the literature, topic, methodology and data collected. Arguments are developed with evident clarity and logic in an unbiased and objective way. Extremely high standard of critical analysis and evaluation. Conclusions and/ or recommendations directly linked to and from the findings.	Excellent
Good use of argumentations structures and analysis. May lack consistency across chapters and within chapters or clarity and logic or contain some unsubstantiated statements or make conclusions and recommendations not fully embedded in the results.	Good
Some attempts to employ argumentation, but at a basic level not demonstrating a sound understanding of argumentation analysis or its need throughout the dissertation or containing too many unsubstantiated statements and assumptions. Weak conclusions and/ or recommendations poorly expressed.	Adequate

### 4.4. Qualitative literature analysis

It is very important for any researcher to define the research method(s) which he/ she are going to use in order to realize the desired study results. This step is of great help in order to align the researcher’s efforts in the right direction with the research purpose, and will save a precious amount of time during this active process. Data analysis is defined as “*a process of*

*fitting data together, of making the invisible obvious, of linking and attributing consequences to antecedents. It is a process of conjecture and verification, of correction and modification, of suggestion and defense”* (Morse and Field, 1995, p. 103).

Researchers suggest several analysis methods in order to analyze qualitative data in documents, one of them is the “constant comparison analysis” (Leech and Onwuegbuzie, 2008, p.590; Onwuegbuzie et al., 2012, p. 11). The constant comparison analysis method is a very practical one since it can be used to analyze different kinds of qualitative data such as talk, observations, photos and videos and not only documents where the same principle of coding the information is used. Its practicality and simplicity make it widely accepted and used in academic research as a main method to analyze qualitative data. In fact many researchers think that it is the only way to analyze qualitative data as cited by Leech and Onwuegbuzie (2007, p. 562).

Leech and Onwuegbuzie (2008) argue that the constant comparison analysis is an analytic tool which helps researchers to build theory, analyze data systematically, and understand the relationships between different parts of data. In a comparative analysis an event is compared to another event in order to classify data by finding similarities and differences then putting the ones of similar concept in the same group or theme (Strauss and Corbin, 2008). Such a group will have its properties which differentiate it from other groups or themes.

This study has used the constant comparison analysis method to analyze the data in the selected 11 articles by using the method suggested by Onwuegbuzie et al. (2012). First all the 11 articles have been read. The information was analyzed and categorized into groups of the same concepts or meanings; for instance, any results from an article that claims extrinsic rewards have positive impact on employees’ creativity when the employees consider rewards of high importance was gathered under the same code. Afterwards all the codes that refer to events (results) which act as supporters for employees’ creativity and innovation were congregated in one table that represents a group (or a theme) of extrinsic supporters. The same method was used to find out the group of the extrinsic hinders. Chapter five will exhibit all the results of the comparison analysis and the related codes and groups.

#### **4.5. Ethical considerations**

Ethics are considered to formulate principles of moral behavior when doing researches since they affect at least one of the following stakeholders; the researcher, the sponsor of the research, the research itself or the subjects (Hart, 2012). The studies which have been chosen for the results part have passed the approval of the ethics committees and the acceptable academic measures for being recognized as an acceptable academic production. The author was very careful to consider studies that are very close related to the purpose of this study especially the ones written by well-known researchers in the field.

# 5

# Results

## 5. Results

Table (Appendix B) shows the authors' names, year of publication, study title, study purpose, study method, study results and study evaluation according to Hart's assessment criteria (as in Table 4.1) of all the selected articles from the final evaluation stage. The column of the study results illustrates a summary of results which will serve the purpose of this study. The results from the selected studies were carefully analyzed in order to derive factors of the organizational environments, the ones that supported or hindered rewards. Table (5.1) exhibits the results of the studies and the derived codes of organizational factors and the codes of impacts. The codes will facilitate the analysis and the discussion of the results.

**Table 5.1**

*Results from the selected studies and the derived organization factors (OF)*

Author(s) and year	Study results/ findings	Codes of OF & impacts
Yoon et al. (2015)	Intrinsic rewards have relatively coherent, stable and direct positive impacts on creativity.	IS
	If extrinsic rewards perceived as high importance by the employees; they will have strong positive impact on their creativity.	PE1(ES)
	If extrinsic rewards perceived as low importance by the employees; they will have no/ mild negative impact on their creativity.	NE1(EH)
	Extrinsic rewards can have more positive impact on employees' creativity when combined with higher intrinsic rewards. Higher rewards lead to even higher creativity.	PEI1(ES, IS)
Abdul Rahim et al. (2015)	Extrinsic rewards are preferred over intrinsic reward to motivate employees' creativity.	ES
	Extrinsic and intrinsic rewards have significant positive impacts on employees' creativity.	ES&IS
Malik et al. (2015)	Value of extrinsic rewards and creativity are positively related when employees possess high creative self-efficacy.	PE2(ES)
	Value of extrinsic rewards and creativity are negatively related when employees possess low creative self-efficacy.	NE2(EH)
	If extrinsic rewards perceived as high importance by the employees; they will have strong positive impact on their creativity.	PE1(ES)
	If extrinsic rewards Perceived as low importance by the employees; they will have negative impact on their creativity.	NE1(EH)
	Value of extrinsic rewards and creativity are positively related for employees with an internal locus of control (capabilities and efforts).	PE3(ES)
	Value of extrinsic rewards and creativity are negatively related for employees with an external locus of control (external factors such as task difficulty).	NE3(EH)

**Table 5.1: continued**

Author(s) and year	Study results/ findings	Codes of OF & impacts
Yoon et al. (2015 <sup>1</sup> )	Extrinsic intangible (non-monetary) creativity-dependent rewards are positively connected to extrinsic motivation and creativity.	PE4(ES)
	Extrinsic tangible (monetary) creativity-dependent rewards are negatively connected to extrinsic motivation and creativity.	NE4(EH)
De Clercq et al. (2015)	Extrinsic innovation-dependent rewards enhance employees' innovation when there is high social interaction between the employees in the organization.	PE5(ES)
	Extrinsic innovation-dependent rewards enhance employees' innovation when there is high interactional fairness in the organization.	PE6(ES)
	Extrinsic innovation-dependent rewards enhance employees' innovation when organizations allow high job rotation.	PE7(ES)
	Extrinsic rewards have no effect on employees' innovation when organizations allow high job autonomy.	N1
Zhou et al. (2011)	Intrinsic motivators (rewards) have strong positive impacts on employees' innovation.	IS
	Extrinsic rewards have positive impacts on employees' innovation.	ES
	Intrinsic motivators (rewards) give stronger positive impacts on employees' innovation when combined with high extrinsic rewards than low extrinsic rewards.	PE11(ES, IS)
Burroughs et al. (2011)	Extrinsic rewards give stronger positive impacts on employees' creativity when combined with appropriate creativity training.	PE8(ES)
Eisenberger and Aselage (2009)	Expected extrinsic rewards for any high performance can positively increase employees' creativity.	PE9(ES)
Baer et al. (2003)	Extrinsic creativity-dependent rewards support employees' creativity when employees are adaptive and work on simple job tasks.	PE10(ES)
	Extrinsic creativity-dependent rewards negatively impact employees' creativity when employees are adaptive and work on complex job tasks.	NE5(EH)
	Extrinsic creativity-dependent rewards negatively impact employees' creativity when employees are innovative and work on simple job tasks.	NE6(EH)
	Extrinsic creativity-dependent rewards do not affect employees' creativity when employees are innovative and work on complex job tasks.	N2
Eisenberger and Rhoades (2001)	Extrinsic creativity-dependent rewards enhance employees' intrinsic job interest and thus creativity.	PE11(ES, IS)
	Extrinsic creativity-dependent rewards enhance employees' self-determination and thus creativity.	PE12(ES, IS)
Janssen (2000)	Extrinsic rewards enhance employees' innovative behavior when they are perceived as fair with respect to the efforts they spent.	PE13(ES)
	Extrinsic rewards do not enhance employees' innovative behavior when they are perceived as unfair with respect to the efforts they spent.	N3

The used codes in Table (5.1) have been generated based upon some assumptions behind using their letters such as:

P: positive; N: negative when combined with E such as NE; N: neutral (when it is alone); I: intrinsic; E: extrinsic: (xy): function as, for instance PE1(ES) means PE1 factor function as extrinsic support.

Table (5.2) exhibits in short description extrinsic rewards related organizational factors of positive impacts on employees' creativity and innovation, and the equivalent suggested codes.

**Table 5.2**

*List of positive organization factors (OF) related to extrinsic rewards (ER) derived from the selected studies*

<b>Organizational factors</b>	<b>OFs' codes</b>
Perceived as high importance by the employees	PE1(ES)
Combined with higher intrinsic rewards	PE11(ES, IS)
Employees possess high creative self-efficacy	PE2(ES)
Employees with an internal locus of control	PE3(ES)
Non-monetary creativity-dependent	PE4(ES)
Innovation-dependent with high social interaction between the employees	PE5(ES)
Innovation-dependent with high interactional fairness	PE6(ES)
Innovation-dependent with high job rotation	PE7(ES)
Appropriate creativity training	PE8(ES)
Expected rewards for any high performance	PE9(ES)
Creativity-dependent with adaptive employees working on simple tasks	PE10(ES)
Creativity-dependent with employees of high job interest	PE11(ES)
Creativity-dependent with employees of high self-determination	PE12(ES)
Perceived as fair with respect to efforts	PE13(ES)

Table (5.3) exhibits in short description extrinsic rewards related organizational factors of negative impacts on employees' creativity and innovation, and the equivalent suggested codes.

**Table 5.3**

*List of negative organization factors (OF) related to extrinsic rewards (ER) derived from the selected studies*

<b>Organizational factors</b>	<b>OFs' codes</b>
Perceived as low importance by the employees	NE1(EH)
Employees possess low creative self-efficacy	NE2(EH)
Employees with an external locus of control	NE3(EH)
Monetary creativity-dependent	NE4(EH)
Creativity-dependent with adaptive employees working on complex tasks	NE5(EH)
Creativity-dependent with innovative employees working on simple tasks	NE6(EH)

Table (5.4) exhibits in short description extrinsic rewards related organizational factors of neutral impacts on employees' creativity and innovation, and the equivalent suggested codes.

**Table 5.4**

*List of neutral organization factors (OF) related to extrinsic rewards (ER) derived from the selected studies*

<b>Organizational factors</b>	<b>OFs' codes</b>
Organizations allow high job autonomy.	N1
Creativity-dependent with innovative employees working on complex tasks	N2
Perceived as unfair with respect to efforts	N3

# 6

# Results Discussion

## **6. Results discussion**

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The presented theory and the results of this study found that organizational rewards can support or hinder employees' creativity and innovation, as suggested by many researchers (e.g., Eisenberger and Shanock, 2003; Eisenberg, 1999). The main debate in literature from the last few decades is not about the benefits of using organizational rewards rather than how to understand the impact of these rewards and the environment within which they act to best utilize them to support employees' creativity and innovation.

Even though a number of researchers suggest a direct relation between organizational rewards and employees' creativity and innovation (e.g., Zhou et al., 2011; Abdul Rahim et al., 2015; Yoon et al., 2015), other researchers have addressed motivation to be a mediator between rewards and creativity (e.g., Markova and Ford, 2011; Eisenberg, 1999; Yoon et al., 2015<sup>1</sup>). The latter argument is a pure psychological debate which has two options; both lead to the same results if we understand that creative and innovative people must get motivated first to work hard for their dreams, while there is no need for people to be innovative or possess creative skills before they get motivated.

When rewarding employees, several external organizational factors may involve and play a controlling role over the situation in a way that support or hinder the impact of organizational rewards to different extents. Amabile (1998, 2012) and Ryan and Deci (in Cameron and Pierce, 2002) are one of several researchers who coined the role of such factors and their positive and negative impacts. The organizational environment is so rich and diverse that every employee's rewarding case can have its own circumstances and factors. The factors of the environment are similar in some cases and different in others. This study has discussed several of them.

### **6.1. Intrinsic rewards and creativity**

The results and the theory in this study show that there is a general agreement in research that intrinsic rewards always have positive impacts on employees' motivation and creativity. Organizational factors in some cases may not support the impact of intrinsic rewards such as when there is deficiency in extrinsic monetary rewards but they can never turn the impact of intrinsic rewards to be a negative one. In other words the possible impact of intrinsic rewards

is even positive or does not exist in any given case. This goes in-line with Friedman (2009), Amabile (1983), Deci & Ryan (2000), Zhou et al. (2011), Abdul Rahim et al. (2015), and Yoon et al. (2015) findings. While there is a total agreement in literature about this fact, there is a small argument about the importance of intrinsic rewards compared to extrinsic ones. For instance Amabile always prioritize the importance of intrinsic rewards in supporting creativity, other researcher like Abdul Rahim et al. (2015) found that extrinsic rewards are preferred over the intrinsic ones to stimulate employees' creativity. Cultural differences and job circumstances are the possible reasons behind this difference since they affects the needs and the perception of employees to different types of rewards.

## **6.2. Extrinsic rewards and creativity**

As discussed earlier; the present argument in literature is about understanding the impact of extrinsic rewards within the organizational environment. This type of rewards may impact employees' creativity directly or through a mediator like intrinsic motivation. As suggested in the theory, in many cases the factors of the environment are very important to be considered in order to analyze the impact of extrinsic monetary rewards. Several studies argue that extrinsic rewards positively impact employees' creativity and innovation without mentioning any organizational factors. This goes in-line with Eisenberger et al. (1999), Eisenberger and Shanock (2003), Zhou et al. (2011), and Abdul Rahim et al. (2015) findings. On the other hand when organizational factors come to act as controllers of the environment the impact of extrinsic rewards may support or hinder the desired outcome.

### **6.2.1. Positive organizational factors**

This study found several factors within the organizational environment positively affect extrinsic rewards and enhance their impact as extrinsic supporters of employees' motivation and creativity. The results propose that organizations need to provide adequate innovation training (PE8), as recommended by Burroughs et al. (2011), Eisenberger et al. (1998) and Eisenberger and Selbst (1994); and a rational space for job rotation inside the unit or the organization (PE7), as suggested by Martins and Terblanche (2003) and De Clercq et al. (2015). Such practices enhance the learning process of the employees by different methods, such as direct learning, mutual learning and learning from new experiments.

In order to support organizational creativity, and as proposed by the results, organizations need to reward the employees for their high job performance (PE9), as suggested by Eisenberger and Shanock (2003), Eisenberger and Aselage (2009) and (Ozutku, 2012); and acknowledge and celebrate them when they are creative (PE4), as recommended by Yoon et al. (2015<sup>1</sup>). This practice gives a strong intrinsic motivation to the rewarded innovative employees apart of the value of the monetary rewards, and make them feel special and encourage them to do be more creative and innovative. The best results can be achieved when organizations combine both monetary and non-monetary rewards (PE11), as suggested by Zhou et al. (2011) and Yoon et al. (2015).

Organizations and employees need to cooperate in order to create a healthy social environment inside the organization (PE5) of high interactional fairness between all employees (PE6). As argued by De Clercq et al. (2015), such positive work atmosphere can support employees' creativity. Such an environment can be found in several well-known organizations in the world, since its existence is an important factor in their competitive advantages and rewards systems are essential elements in their human resource policies.

The results suggest that organizations need to reward employees of high self-motivation and energy towards creativity and innovation (PE2) who are controlled by their vigor and capabilities (PE3), as Malik et al. (2015) claim. This kind of employees are invaluable assets for their organizations since they always take the initiatives to solve work problems, deliver creative ideas and products, and welcome new challenges. There are noticeable differences between employees in the way they deliver their daily tasks and ability to perform new ones. When rewarding employees for creativity managers shall give this difference a careful consideration. As suggested by Baer et al. (2003) rewarding adaptive employees who prefer routines can improve their results when working on simple job tasks (PE10).

Eisenberger and Rhoades (2001) and Eisenberger and Aselage (2009) claim that when employees possess high job interest they will be more intrinsically motivated. As suggested by Zhou et al. (2011) the best results can be realized when intrinsic rewards are supported by extrinsic ones. In this case a creativity-dependent rewards combined with high job interest (PE11). According to Eisenberger and Rhoades (2001) creativity-dependent rewards supports employees' creativity since they have an enhancement impact on employees' self-

determination (PE12). This result is not supported by Friedman (2009) who believes that creativity-dependent rewards has no role in enhancing employees creativity even though the absence of these rewards may undermine employees' self-determination, since self-determination itself has no direct relationship with creativity. The reason behind Friedman's belief could be that when employees feel that they are not able to deliver the agreed results they become less motivated since they are not going to get the promised rewards.

The results show also that organizations should not assume that they are able to use rewards in any case to enhance their employees' creativity since the desired outcome from rewarding employees depends to a large extent upon their personal perception. For instance employees need first to consider rewards of high importance to their personal achievements at the workplace (PE1) as argued by Yoon et al. (2015); and have a fair perception of the received rewards (PE13) as suggested by Janssen (2000).

One note which is worth to mention is that both organizations and their employees need to agree on a mutual understanding regarding all the concerned factors. In other words it is not enough that an employee believes that he/ she possess many creative ideas and strong innovation skills since his/ her organization needs to recognize his/ her skills otherwise he/ she will not be given the chance to show these abilities. Another example is that it is not enough that an organization thinks they have given generous rewards for an employee in certain occasion since the employee himself/ herself needs to agree that the rewards were sufficient according to his/ her perception.

### **6.2.2. Negative organizational factors**

The results demonstrate other factors which negatively affect extrinsic rewards and obstruct their impact in a way that turns them to be extrinsic hinders (EH) of employees' motivation and creativity. The study results of Yoon et al. (2015<sup>1</sup>) suggest that creativity-dependent monetary rewards have a negative impact on employees' creativity (NE4). This goes in-line with the conclusions of Kohn (1999), Friedman (2009) and Byron and Khazanchi (2012); while contradicts, to a certain extent, the findings of Zhou et al. (2011) and Abdul Rahim et al. (2015) who support the positive impact of extrinsic rewards in general.

Task difficulty is another factor which organizations need to be aware of. Asking adaptive employees to work on complex job tasks (NE5) or asking innovative employees to work on simple tasks (NE6) will not have any support to organizational creativity, as argued by Baer et al. (2003). In most of the cases adaptive style employees show limited creativity skills, therefore asking such employees to do complex job task will most probably make them fail to deliver the desired outcomes and this in turn can make them feel bad. The same when asking innovative employees to work on simple tasks, this can make them feel bad as well since their high creative and innovative skills are highly underestimated by their management.

As suggest by Malik et al. (2015) and Yoon et al. (2015) that rewarding employees who consider rewards, especially the extrinsic ones, as low importance (NE1), or employees of low self-esteem (NE2) who exaggerate the impacts of work problems (NE3) will undermine employees' creativity. These results suggest that managers should carefully select the right employees to do the right jobs in order to grant them the right rewards.

### **6.2.3. Neutral organizational factors**

The results show as well factors of neutral impacts on organizational rewards. Allowing high job autonomy found not to give any support for organizational creativity (N1) as proposed by De Clercq et al. (2015) and Eisenberger and Aselage (2009) since this practice may disturb the focus of employees on critical organizational goals. It is also not of any help to organizational creativity to connect rewards to creativity achievement of innovative employees when they are asked to work on complex tasks (N2) as argued by Baer et al. (2003). Rewards found to have no positive impact on employees' creativity when they perceive them as being unfair to their creative efforts (N3) as proposed by Janssen (2000). It is a good thing to remember that neutral impacts can turn to be negative in some cases since giving money for no improvement in itself is considered a financial loss; further the feeling of being treated unfairly can give negative impact on self-motivation.

Back to the total Impact equation ( $\text{Total Impact} = \text{IS} + \text{ES} + \text{EH} + \text{OF}$ ), as suggested by this equation the best positive results can be realized when high intrinsic rewards (IS) is combined with high extrinsic rewards when one or more of the positive organizational factors PE1-to-PE13 exist. In this case extrinsic rewards will act as motivators and supporters (ES) of

employees' motivation (IM) and creative and innovative performance (CIP). At the same time none of the negative organizational factors NE1-to- NE6 exist as well, so that extrinsic rewards will not act as hinders (EH) of employees' motivation (IM) and creative and innovative performance (CIP).

Table (6.1) depicts all the extrinsic rewards related factors of positive, negative and neutral impacts on employees' creativity and innovation, as suggested by this study.

**Table 6.1**

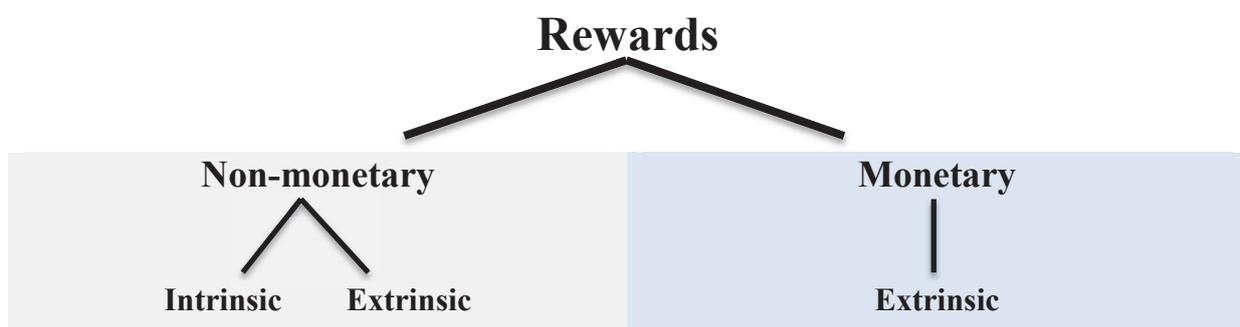
*List of positive, negative and neutral organization factors (OF) related to extrinsic rewards (ER) derived from the selected studies*

<b>Positive organizational factors</b>	<b>Negative organizational factors</b>	<b>Neutral organizational factors</b>
Perceived as high importance by the employees	Perceived as low importance by the employees	Organizations allow high job autonomy.
Employees possess high creative self-efficacy	Employees possess low creative self-efficacy	Creativity-dependent with innovative employees working on complex tasks
Employees with an internal locus of control	Employees with an external locus of control	Perceived as unfair with respect to efforts
Non-monetary creativity-dependent	Monetary creativity-dependent	
Creativity-dependent with adaptive employees working on simple tasks	Creativity-dependent with adaptive employees working on complex tasks	
Innovation-dependent with high social interaction between the employees	Creativity-dependent with innovative employees working on simple tasks	
Innovation-dependent with high interactional fairness		
Innovation-dependent with high job rotation		
Creativity-dependent with employees of high job interest		
Creativity-dependent with employees of high self-determination		
Appropriate creativity training		
Expected rewards for any high performance		
Combined with higher intrinsic rewards		
Perceived as fair with respect to efforts		

### 6.3. New model of organizational rewards

This study found that the best method to classify all kinds of organizational rewards is to categorize them as monetary (tangible) and non-monetary (intangible). In this case both extrinsic non-monetary rewards and intrinsic non-monetary rewards are grouped in the same category since such kinds of rewards have almost the same positive impact on employees' motivation, although other organizational factors will still be active in the scene to support or hinder the impact of this group of rewards.

The reason behind this conclusion is that the characteristics of the extrinsic non-monetary rewards are a lot similar to the characteristics of the intrinsic non-monetary rewards than the characteristics of the extrinsic monetary rewards. In fact these similarities between intrinsic and extrinsic non-monetary rewards made several researchers mix them in their studies, which in turn became unclear to understand the sole differences between these groups of rewards. Figure (6.1) shows a proposed categorization of rewards based on the results of this study.



**Figure 6.1:** *A proposed categorization of organizational rewards*

As examples of non-monetary intrinsic rewards are self-enjoyment and satisfaction and job challenge. Non-monetary extrinsic rewards can include appreciation from managers, management support and social relations. On the other hand monetary extrinsic rewards can also be divided to monetary extrinsic direct rewards such as salary, cash bonuses and remunerations; and monetary extrinsic in-direct rewards such as training courses, education, and club memberships.

# 7

# Conclusions

## 7. Conclusions

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The very popular international usage of rewards by all kinds of organizations is a vibrant proof of their importance in supporting employees' creativity and innovation. This study sought to find answers to the following two questions.

The first one was: Do intrinsic rewards support or hinder organizational creativity and innovation?

The realized answer by this study is yes and all the time. The positive value of the impact of such rewards cannot be measured directly and it varies from case to another depending on several factors. This study supports the belief that says intrinsic rewards always support employees' creativity and innovation which is widely accepted by many researchers.

The second question was: Do extrinsic rewards support or hinder organizational creativity and innovation?

This study does not propose a straight forward answer for question two. The reason is that every case has its own circumstances and factors thus should be evaluated separately. Since there are unlimited numbers of cases which differ from each other, to a smaller or bigger extent, it sounds impossible and unrealistic to suggest one or a few scenarios that cover all cases. This study suggests that extrinsic rewards in its nature support employees' creative and innovative performance unless there is one or more of the negative organizational factors in the environment of the case. The existence of the positive organizational factors will enhance the positive impact of extrinsic rewards.

This study found that it is more rational to categorize rewards into monetary and non-monetary and group both extrinsic and intrinsic ones under the intrinsic rewards flag. This new model (Figure 6.1) of classification offers lucidity in understanding the impact of different types of rewards through understanding the interrelation between them and other factors.

### 7.1. Implications and further studies

As a researcher, and after reading through many studies in the field of creativity and innovation from a few decades, I found the majority of them have a focus on one culture only, which is the western one. There is neglect in research for considering the very wide

range of cultural differences in societies around the world which shape, to a big extent, how people perceive rewards, especially the extrinsic ones. Keeping in mind that difference in local laws and regulations may as well play an important role in this equation as important factors of the work environment.

Possible prospects for further studies in the field will be topics such as; studying the differences in the impacts of individual and group rewards on employees' creativity between collectivist and individualist cultures, or, studying the differences in the impacts of rewards on employees' creativity between high and low --extrinsic rewards value -to- base salary value—jobs.

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## Appendixes

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### Appendix A: References of studies mentioned in Table 2.2.

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## Appendix B: Table of studies

**Table Appendix B**  
*Studies used for the analysis*

Study #	Author(s) and year	Study title	Study purpose	Study method	Study results/ findings	Study evaluation
<b>S1</b>	Yoon, H. J., Sung, S. Y. and Choi, J. N. (2015)	Mechanisms Underlying Creative Performance: Employee Perceptions of Intrinsic and Extrinsic Rewards for Creativity.	To study some uncertainties resulted from the impacts of rewards (intrinsic and extrinsic) on employee's creativity.	A survey of 241 employees from 41 different industrial organizations in South Korea.	Intrinsic rewards have relatively coherent, stable and direct positive impacts on creativity.  If extrinsic rewards perceived as high importance by the employees; they will have strong positive impact on their creativity.  If extrinsic rewards Perceived as low importance by the employees; they will have no/ mild negative impact on their creativity.  Extrinsic rewards can have more positive impact on employees' creativity when combined with higher intrinsic rewards. Higher rewards lead to even higher creativity.	Excellent
<b>S2</b>	Abdul Rahim, R., Mohammad Nasir, N. A., Mat Yusof, M. and Ahmad, N. L. (2015)	Reward and Employee's Creativity: Case of Manufacturing Organization.	To discuss the benefit of rewards system on employee's creativity	A survey of 160 employees from 5 manufacturing organizations in Malaysia.	Extrinsic rewards are preferred over intrinsic reward to motivate employees' creativity.  Extrinsic and intrinsic rewards have significant positive impacts on employees' creativity.	Good
<b>S3</b>	Malik, M. A. R., Butt, A. N. and Choi, J. N. (2015)	Rewards and employee creative performance: Moderating effects of creative self-efficacy, reward importance, and locus of control.	To study the impact of extrinsic rewards on employees' creative performance.	A survey of 181 employees from 2 private universities in Pakistan.	Value of extrinsic rewards and creativity are positively related when employees possess high creative self-efficacy and negatively related when employees demonstrate low creative self-efficacy.  Value of extrinsic rewards and creativity are positively related when employees perceive rewards with high importance and negatively related when employees perceive rewards with low importance.	Excellent

						Value of extrinsic rewards and creativity are positively related for employees with an internal locus of control (capabilities and efforts), and negatively related for employees with an external locus of control (external factors such as task difficulty).	
<b>S4</b>	Yoon, H. J., Sung, S. Y., Choi, J. N., Lee, K. and Kim, S. (2015 <sup>1</sup> )	Tangible and Intangible Rewards and Employee Creativity: The Mediating Role of Situational Extrinsic Motivation.	To examine the impacts of tangible and intangible types of creativity-dependent rewards on employee's creativity.	A survey of 271 employees from large insurance companies in South Korea.	Extrinsic intangible (non-monetary) creativity-dependent rewards are positively connected to extrinsic motivation and creativity. Extrinsic tangible (monetary) creativity-dependent rewards are negatively connected to extrinsic motivation and creativity.	Excellent	
<b>S5</b>	De Clercq, D., Thongpapanl, N. (Tek) and Dimov, D. (2015)	Structural and relational influences on the role of reward interdependence in product innovation.	To study the impacts of rewards on employees' performance and innovation.	A survey of 232 managers from technology and marketing companies in Canada.	Extrinsic innovation-dependent rewards enhance employees' innovation when there is high social interaction between the employees in the organization. Extrinsic innovation-dependent rewards enhance employees' innovation when there is high interactional fairness in the organization. Extrinsic innovation-dependent rewards enhance employees' innovation when organizations allow high job rotation.	Excellent	
<b>S6</b>	Zhou, Y., Zhang, Y. and Montoro-Sánchez, Á. (2011)	Utilitarianism or romanticism: the effect of rewards on employees' innovative behavior.	To study the impact of extrinsic and intrinsic rewards on employees' creativity.	A random sampling method and a survey of 216 employees in 18 telecommunication companies in China.	Intrinsic innovation-dependent rewards enhance employees' innovation when organizations allow high job autonomy. Extrinsic rewards have no effect on employees' innovation when organizations allow high job autonomy. Intrinsic motivators (rewards) have strong positive impacts on employees' innovation. Extrinsic rewards have positive impacts on employees' innovation. Intrinsic motivators (rewards) give stronger positive impacts on employees' innovation when combined with high extrinsic rewards than low extrinsic rewards.	Excellent	

<b>S7</b>	Burroughs, J. E., Dahl, D. W., Moreau, C. P., Chattopadhyay, A. and Gorn, G. J. (2011)	Facilitating and Rewarding Creativity During New Product Development.	To study the impact of rewards and training on employees' creativity.	20 interviews with executives from 20 different companies in North America, Asia and Europe.	Extrinsic rewards give stronger positive impacts on employees' creativity when combined with appropriate creativity training.	Good
<b>S8</b>	Eisenberger, R. and Aselage, J. (2009)	Incremental effects of reward on experienced performance pressure: positive outcomes for intrinsic interest and creativity.	To study the impact of expected rewards on employees' performance and creativity.	A survey of 660 employees and 180 supervisors employed in a university.	Expected extrinsic rewards for any high performance can positively increase employees' creativity.	Excellent
<b>S9</b>	Baer, M., Oldham, G. R. and Cummings, A. (2003)	Rewarding creativity: when does it really matter?	To study the impact of extrinsic rewards on employees' creativity.	A survey of 171 employees from 2 manufacturing organizations in USA.	Extrinsic creativity-dependent rewards support employees' creativity when employees are adaptive and work on simple job tasks. Extrinsic creativity-dependent rewards negatively impact employees' creativity when employees are adaptive and work on complex job tasks. Extrinsic creativity-dependent rewards negatively impact employees' creativity when employees are innovative and work on simple job tasks. Extrinsic creativity-dependent rewards do not affect employees' creativity when employees are innovative and work on complex job tasks.	Excellent
<b>S10</b>	Eisenberger, R. and Rhoades, L. (2001)	Incremental effects of reward on creativity.	To study the impact of expected rewards on employees' creativity.	2 survey studies of 326 and 248 employees in 8 organizations in USA.	Extrinsic creativity-dependent rewards enhance employees' intrinsic job interest and thus creativity. Extrinsic creativity-dependent rewards enhance employees' self-determination and thus creativity.	Excellent

<b>S11</b>	Janssen, O. (2000).	Job demands, perceptions of effort--reward fairness and innovative work behavior.	To study the interrelationship between employees' innovation, job demands and reward fairness.	A survey of 170 employees from the food industry in Holland.	<p>Extrinsic rewards enhance employees' innovative behavior when they are perceived as fair with respect to the efforts they spent.</p> <p>Extrinsic rewards do not enhance employees' innovative behavior when they are perceived as unfair with respect to the efforts they spent.</p>	Excellent
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