THE EFFECT OF REWARDS ON INNOVATIVE BEHAVIOUR OR CREATIVITY BASED ON LITERATURES REGARDING EXPERIMENTAL STUDY AND THE IMPLICATION OF RELEVANT ARRANGEMENT

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ABSTRACT

This article explores whether providing rewards (intrinsic or extrinsic) may improve employees' creativity or even adversely affect creativity, which finally affects company performance. This review primarily seeks to critique the conventional human resource management paradigm that emphasizes the predominance of extrinsic rewards for incentivisation, often employing them as the primary performance driver to motivate exemplary employee output, while ignoring intrinsic rewards that may be beneficial to increase employees' motivation and engagement. The writers attempt to address a gap in the literature by critically evaluating whether financial rewards are consistently effective in creative work contexts and re-emphasising that intrinsic rewards may be more crucial for triggering sustained motivation and engagement, which are the foundation for creativity. To ensure the validity of its arguments, this article employs multi-method approach, specially incorporating a comprehensive literature review, an experimental study and a relevant case of company policy. It has been demonstrated that rewards and creativity tend to have no simple link and even lessen employee's creativity if positive variable support is not considered (such as satisfaction, autonomy, and a sense of accomplishment of employee). This finding offers contributions that possess substantial practical and theoretical relevance.

Keywords: Reward, Innovative, Behaviour, Creativity, Intrinsic, Extrinsic

INTRODUCTION

Innovation has become the most highly demand of modern times virtually every aspect of our life. In the past two decades, there have been so many advancements in terms of technology innovation that allow our life to be easier and changed the way we do something. For example, the internet has transformed the way we consume news, promote products, navigate, shop and communicate to others.

However, according to Henderson (2017), nowadays innovation does not solely appear to new device for efficiency because innovation is also critical and highly demanding if we look at business context. For instance, the successful exploitation of new ideas is sensible to business as it can add to the likelihood of producing improved

products, service to markets, its efficiency, profitability and most importantly, surviving in the high level of competition. These benefits can be gained provided that the exploitation of new ideas does not leave a power vacuum in company. This is because companies which fail to keep commitment with culture of innovation will negatively affect its performance, such as losing market shares, falling productivity and efficiency, and even going out of business (Gibson, 2017).

These risks can be mitigated by dealing with some sources we can use to generate new ideas for the business; business partners, supplier and business network contact. However, innovation is a human ability (Neto, Filipe, and Caleiro, 2019). This means that innovation comes from talents who have a mix of skill set. Moreover, there are some ways how to engage innovative behaviour from talent and one of them is by creating rewarding environment within organisation.

The term “innovation” refers to the result of idea which is transformed into goods or services and lead to customer being willing to pay for it due to their values (Business dictionary). Reward can be defined as any type of compensation or benefit that employees receive because of their work within an organization, which may include both financial and non-financial forms (Dessler, 2017). In general, creativity is the ability to come up with new and useful ideas. It means thinking in different ways, solving problems and making something original that can be helpful or meaningful to yourself or others. In addition, Baghetto (2022) adds that creativity manifests through tangible actions and translating creative confidence into actual creative behaviour requires a willingness to take intellectual risks. It is important to understand the rewards effect on innovative behaviour or creativity because it has a major impact on employee satisfaction and company performance. Previous research may have demonstrated mixed results (some positive, negative, or neutral) regarding the effect of rewards on creativity. This inconsistency in prior findings has sparked the writers’ interest to identify the conditions under which rewards promote, and when they hinder creativity. Furthermore, the empirical gap lies in the lack of research explicitly testing the moderating/mediating variables that determine these outcomes. Therefore, beyond utilising a literature review as a theoretical foundation, this article further explores the relationship through an experimental study and a policy (a combination often rarely employed concurrently in this topic) to contribute new empirical findings. In order to explore this topic more deeply, this essay will examine literature review, an experiment and a policy by looking at the effect of rewards on innovative behaviour.

Literature Review

Alkandi *et al.* (2023) explain there is not a significant direct effect between rewards and employees' performance. In essence, rewards do not influence performance. This means that there must be another variable to support employees' performance; thus, they proceed to explore the mediating role of job satisfaction has a major indirect effect on employees' performance, which means an improvement in rewards contributes to higher job satisfaction, thereby boosting employees' performance.

Apart from job satisfaction, in what ways rewards significantly can play a part in individual's creativity which in turn enhances performance. Researcher who concerns about rewards and innovative behaviour are Sanders *et al*. (2018). The work of Sanders *et al*. (2018) on performance-based rewards and innovative behaviour uses two internal factors (performance-based rewards and employee perception of human resources) and one external factor (country level uncertainty avoidance) to find out how it affects innovative behaviour. The reward of this study can be both financial and non-financial. In terms of one of internal factors (performance-based reward), the first hypothesis of this study argued that performance-based reward has a positive effect on innovative behaviour. The second hypothesis of this study shows that the relationship between performance-based reward and innovative behaviour would be stronger if the employees have a good understanding in relation to Human Resource (HM) system which is distinctive, consensual and consistent. The third hypothesis is that the effect of high uncertainty avoidance on the relationship between performance-based rewards and innovative behaviour is not significant. Nevertheless, the first finding regarding first hypothesis of this study does not find any correlation between rewards and innovative behaviour significantly. In contrast, what this study found is that performance-based reward was associated with innovative behaviour as long as the high Human Resource strength can be understood by employees. Lastly, this study confirms the hypothesis that the relationship between performance-based rewards and innovative behaviour is significant for low uncertainty country.

Furthermore, a 2016 study by Spiegelaere, Gyes and Hootegem (2016) was concerned with examining the effect of performance-related pay on learning opportunities, upward communication, and innovative work behaviour. Like Sander's study, this study also argued that there is a low correlation between rewards (performance-based pay) and innovative behaviour. However, in their study, the same authors divide the type of rewards into two parts; individual and collective rewards.

They argue that in terms of individual rewards, it does true that providing employees with individual rewards leads to innovative work behaviour being low. Individual rewards are claimed by the same authors to be adverse at employees' intrinsic motivation, which results in their motivation shifting from intrinsic to extrinsic motivation in doing jobs. Nevertheless, when it comes to combining individual and collective rewards, the positive correlation between organisational resources (learning opportunities, upward communication and involvement in innovation) and innovative behaviour becomes stronger, which strengthens employees' innovative behaviour.

Research by Zhang, Long and Zhang (2015) also dealt with the relation between reward and creativity or innovative behaviour. They limit their study on a specific type of extrinsic reward; pay for performance (PFP), which aims to identify whether, how, when and why PFP affect employees' behaviour in doing innovative action. So, it can be said that it is concerned on how pay for performance (PFP) affects employees' creative self-efficacy by considering the level of procedural justice and willingness to take risks. The interaction between PFP and creativity of employee are found in their study to be relaying on the level of procedural justice perception and willingness to take risks. If procedural justice, which mean employees have a good opportunity to participate, and willingness to take risks are high, the interaction between PFP and creativity becomes positive. In contrast, if employees do not have a chance to participate in decision making process (low procedural justice) and willingness to take risks of employees, which means they have a lack of confidence to produce certain creative actions, is low as well, the interaction between PFP and creativity appear to be negative. To put it more directly, even though rewarding PFP can enjoy benefits, it also poses threats for employees' creativity, depending on the level of employees' procedural justice perception and employees' characteristic to deal with risks. Moreover, the same aothors further explain it would be best to build self-confidence for employees so that PFP can enhance their creativity effectively in doing creative works.

Moreover, Fontana, D'alise and Marzano (2015) find that company can promote new idea generation by motivating employees through the introducing of incentives. In their study, they are focused on identifying motivational factor and other organisational elements can determine the major interaction between incentive reward and innovative propensity. Motivational factors (intrinsic incentive and motivation) are characterised by the same authors as the primary factor influencing innovative propensity. They also claim that extrinsic rewards do not play a critical role in relation to innovative work

behaviour. This is because this study did not put other variables to determine whether positive or negative by looking at the relation between extrinsic reward and innovation. They go on to explain extrinsic rewards play a role in stimulating innovation but are less influential compared to intrinsic emotional incentives, which are the most significant drivers. To be clear, the finding of this study is that intrinsic motivation, knowledge sharing, competencies and autonomy are the main motivational drivers that positively affect innovative propensity. After that, the overlapping of regulation and personal goals play an important role on determining a positive/negative impact of incentive on innovative propensity so that the result shows that the overlapping has a positive effect on innovative propensity. Finally, the major organisational traits such as managerial support, task stability and width of role and heterogeneity of group members positively moderate the interaction between incentive and innovative propensity. Further support for this finding is provided by Muzafary and Mdletshe (2019), who argue that intrinsic reward is more considerable and positively influence employee creative performance, particularly when job autonomy is high and employees exhibit proactive personalities.

In a 2015 study, Erat and Gneezy investigate whether rewards; piece-rate and competitive incentives, have an effect on employees' creativity. To put it in another way, whether that external monetary incentive can increase employees' creativity performance. If so, what kind of incentives would be advisable. This study tried to compare the effect of some different incentive on employee creativity, such as competition incentive compared to the non-incentive treatment, piece-rate incentive compared to the non-incentive treatment, piece-rate incentive compared to competitive incentives, and those who are spending more time on task compared to the condition without incentive. More interestingly, as opposed to other studies has been mentioned above, they add another concern on their study that poor creativity performance is determined by what kind of Genders when it comes to deal with competitive condition. This first assumption of this study is based some previous literatures related to those comparisons. In terms of finding, the past literatures are appropriate with the result of this study, which prove that those past literatures are still relevant regarding this topic. The interesting point of those results are that competition leads to employees being more aggressive in doing jobs. In essence, they will spend more effort such as staying longer in the workplace to do their task because of competition incentive target. However, this condition does not cause their creativity to increase, even it becomes lower. Therefore, from those results, the same authors conclude that competition incentives can increase a significant effort level in doing jobs but it does not improve

creativity. In fact, it decreases creativity of employees. But the lower creativity is mostly experienced by woman as the effect of competition incentives than man. Moreover, the past literatures are consistent with this result, which is competitive incentives negatively affects woman than man. Nevertheless, there is no significant differences between woman and man in terms of effort level, which mean how much time both man and woman spend in the workplace are as effect of competitive incentives. Furthermore, in terms of all rewards (including competitive incentives and piece rate incentives), researchers did not find when the interaction between incentives and the task type appear through those results. The interaction related to those results might be found with non-creative tasks, which means extrinsic incentives may be effective for non-creative jobs and possible routine tasks.

Then, a 2018 study by Li, Chen, and Lai examines the influence of a reward for creativity program, which also affects employee creativity in organisations by identifying the underlying mechanism based on the perspective of the transactional model of stress and coping theory (TMSC). They go on to explore how employees' appraisals (challenge or threat) on rewards have an effect on their creativity in the workplace. For example, what is the effect of those who appraise rewards as a challenge? or what is the effect of those who appraise rewards as a threat? Quite simply, when employees are put in a situation of facing rewards, they might interpret or perceive those rewards as challenge or threat. TMSC also suggests that different appraisals result in various coping strategies when it comes to facing rewards for employees; problem-focused coping strategies and emotion-focused coping strategies. Finally, the results of this study gave a positive contribution for the implementation of TMSC in relation to the creativity context and to the literature. The result defines that when individuals adopt problem-focused coping strategies as a response to rewards, which they appraise as a challenge, it leads to their creativity exhibiting a high performance. In contrast, those who have a negative appraisal about a reward program and assume it as a threat, they engage in blaming and showing low creative performance. And those who have a high general self-efficacy regard a reward program as a challenge to themselves rather than a threat. Then, emotion-focused coping strategies are divided into two types; blaming and avoidance. Blaming related to this study context is seen as an attempt to produce an adverse statement about a reward program and feeling resentful towards those who are in charge of it. The effect of this must be negative and not surprising as the result shows that when employees resist to a reward program, it would adversely affect their creativity, which means they are likely to limit their creative output intentionally. On the

other hand, the interesting point is when it comes to avoidance, the result is not appropriate with researchers' assumption. To put it simply, the result is unexpected and surprising. The result identified that avoidance does not appear an effect on creative performance. This is partly because the researchers' measure of avoidance is particularly concerned on cognitive instead of behavioural avoidance. Those who have cognitive avoidance psychologically make a distance with a reward program and it tends to give no effect on behaviour, which might be a reason why their creativity does not experience a decrease.

The effect of monetary reward on creative performance is discussed in a 2017 study by Wang and Holahan. They claim that employees' motivational orientation plays a critical role in relation to the relationship between monetary reward and creative performance. Firstly, they predicted that monetary reward positively affects performance pressure, which in turn has a positive effect on creative performance of employees when they have an extrinsic motivation in completing task. However, the result is not confirmed. In the second prediction, they argued that for those who are intrinsically motivated to perform the task, monetary rewards lead to a reduction in self-determination, which in turn lessens intrinsic interest and finally results in lower creative performance. Nevertheless, the result proves that this prediction is not confirmed, this analysis indicates that employees who have an intrinsic motivation in doing task do not experience a reduction in self-determination and creative performance. To conclude this study, two pathways; self-determination and performance pressure can influence creative performance. These pathways appear unequal for those who have intrinsic motivation and those who have extrinsic motivation. And the interaction between monetary rewards and creativity is still ambiguous regarding this study. However, although the hypothesis of this study is rejected, this study show that motivational orientation has an effect between two pathways; self-determination and performance pressure

Yoon *et al.* (2015) also demonstrated a study; the effect of tangible and intangible rewards on creativity. In their study, they provide two situational factors which are used as a mediator to link the interaction between these rewards and employees' creativity; intrinsic and extrinsic motivation. This study identifies how the effect of tangible and intangible rewards influences either intrinsic motivation or extrinsic motivation which in turn describe a result related to employees' creativity based on rewards. They proceed to say that in terms of findings, firstly, intangible rewards have a positive effect on intrinsic and extrinsic task motivation. This means

that various type of intangible rewards such as recognition, appreciation, attention, praise, approval and informal acknowledgment lead to both extrinsic motivation and intrinsic motivation of employees. Secondly, an unexpected result is found by the same authors that tangible rewards such financial incentives adversely affect employees' extrinsic motivation. This is surprising because in most cases, employees who have a desire to enlarge their outcome would be more motivated by offering them with financial rewards. Obviously, this is not the case with every situation. Still, it seems that financial rewards have a negative evaluation for some cultures. This is an answer why this correlation becomes negative, which is the respondents of this study are coming from Korean, which embrace Asian tradition. The cultural perspective of Asian discourage materialism and Korean Behaviour who assume that showing individual materialistic is a negative behaviour.

Literature Mapping

Those literatures demonstrate that the relationship between rewards and employee creativity/innovative behaviour (which in turn enhances performance) is not direct, simple, or consistently positive. Instead, rewards significantly play a part in creativity through various mediating and moderating variables.

Study	Reward Type	Mediator(s) / Moderator(s)	Effect on Creativity
Alkandiet et al. (2023)	General Rewards	Job Satisfaction	Positive (Indirect)
Sanders et al. (2018)	Performance-Based Rewards	HR Strength, Country-level Uncertainty Avoidance	Positive (Only with high HR strength & low uncertainty avoidance)
Spiegelaere et al. (2016)	Individual/Collective PRP	Organizational Resources (Learning, Upward Communication), Intrinsic Motivation	Positive (When combined with collective rewards); Negative (Individual rewards)
Zhang et al. (2015)	Pay-for-Performance (PFP)	Procedural Justice, Willingness to Take Risks, Creative	Positive (High Justice/Risk Tolerance); Negative (Low

Study	Reward Type	Mediator(s) / Moderator(s)	Effect on Creativity
		Self-Efficacy	Justice/Risk Tolerance)
Fontana et al. (2015)	Incentives (Extrinsic/Intrinsic)	Intrinsic Motivation, Knowledge Sharing, Competencies, Autonomy	Positive (Intrinsic is primary driver; Extrinsic is less influential)
Erat & Gneezy (2015)	Piece-rate & Competitive	Task Type (Closed vs. Open Creativity), Gender (for competition)	Negative (Competition); Ineffective (Open tasks)
Li et al. (2018)	Reward for Creativity	Challenge/Threat Appraisal, Coping Strategies (Problem/Emotion-focused)	Positive (Challenge + Problem-focused coping); Negative (Threat + Blaming)
Wang & Holahan (2017)	Monetary Reward	Motivational Orientation, Performance Pressure, Self-Determination	Ambiguous/Hypotheses mostly unconfirmed, suggesting complex pathways
Yoon et al. (2015)	Tangible/Intangible Rewards	Intrinsic/Extrinsic Motivation, Culture	Positive (Intangible); Negative (Tangible on extrinsic motivation in specific cultural context)

Figure. Literature Mapping

METHODS

Data Validation

In order to verify and emphasise the literature review aforementioned, this article applies a multi-method design that integrates a thorough literature review, an experimental investigation*(The Candle Problem)* and a contextually relevant case of

company arrangement *(The Google's 20% Time Policy)* which prove whereby rewards do not apply to every circumstance in terms of helping and increasing employees' creativity; otherwise, the misuse of reward might exacerbate the creativity along with inadequate reward management system. This method allows the study to test causal relationships under controlled conditions, while illustrating their application within a real-world organisational context. When the results from the literature review, experiment, and case study are mutually reinforcing, this provides a significantly higher degree of confidence in the findings. This also mitigates the risk that the findings are merely an artifact of a specific research methodology. The Candle Problem directly supports this article's claim that financial rewards are not consistently effective in contexts demanding creative problem-solving. In addition, Google's 20% Time Policy affirms that to trigger sustained motivation and engagement - which are the foundation for creativity - organizations must provide non-financial rewards focused on work structure (autonomy) and personal satisfaction (intrinsic)

RESULTS AND DISCUSSION

The Study Of "The Candle Problem"

This study was firstly introduced by German psychologist Karl Duncker in 1945, which was designed to test the ability of creative thinking and the concept of "functional fixedness" in problem solving and it works as follows:

Duncker provided experimental tools; a candle, a box of thumbtacks and a book of matches on the table which pushed up against the wall. Then, he asked the participants in the room to find a way how to affix the lit candle to the wall.

Many participants tried to affix the lit candle directly by using thumbtacks and melting the candle side to produce glue to affix the lit candle to the wall. In fact, the most effective way is by using a box from thumbtacks as a platform of the lit candle, then affixing it to the wall by using thumbtacks.

This experiment shows that many people experience "functional fixedness" which are likely to see an object as a traditional function rather than transforming it to be solution.

Then, this experiment had been repeated and modified by a Canadian professor at Princeton University, Sam Glucksberg in 1962 through his study titled "The influence of strength of drive on functional fixedness and perceptual recognition" Journal of Experimental Psychology, to investigate the effect of incentive on problem-

solving, particularly in tasks requiring creative thinking. Glucksberg's design experiment divided participants into two groups:

- Control Group (Non-Incentivised Condition)
  Participants were simply told to solve The Candle Problem as quick as possible without financial rewards.
- Incentivised Group (Monetary Reward condition)
  Participants were promised financial rewards to solve The Candle Problem quickly.

From the experiment, Glucksberg found two different perceptions and results from participants in terms of finding the solution:

- As opposed to the Incentivised Group, the Control Group was faster to find the solution.
- Incentive rewards led to participants being less focused and finally negatively impact their creative thinking. This is because they tended to see those experimental tools as object traditional function to resolve problem as quick as possible rather than exploring the use of the experimental tools alternatively to generate more effective problem-solving.
- This study shows functional fixedness results in people failing to recognise an object out of its common traditional function that limits their creativity and problem-solving flexibility.
- Nevertheless, the Incentivised Group performed better when the experiment was modified by emptying thumbtacks box instead of filling the box with thumbtacks.

The Implication; The Google's 20% Time Policy

Based on the experimental study; the Candle Problem as mentioned, the writers would like to underline its practical implication through supporting evidence in accordance to the fact which occur in the business context.

That Google's 20%-time policy for workplace success in 2013 is exemplary of the implication how to encourage the creative thinking of employees to come up with new ideas. This approach permits employees to take one day a week to focus on projects which are outside of their primary responsibilities, and allowing them to dedicate a portion of their 20% time on personal project which were passionate about provided that the project was aligned with Google's goals or might act beneficially on the company.

Although the Google's 20%-time policy poses challenges in terms of implication process, it offers more significant benefits regarding the outcome for either Google or employees. The writers argue that there is one main factor which contributes significantly to Google performance as a result of encouraging employees' creativity. The factor is flexible work environment factor such as autonomy in task selection, time management flexibility, work-life balance, etc. This flexibility helped employees to explore and pursue their personal ideas to meet creativity, which positively impact employees' job satisfaction, motivation, and work culture in Google. To illustrate, the writers proceed to highlight one another example which is still a part of flexibility factor; encouraging a culture of experimentation. This value lessens employees' fear of failure which enables them to deal with risk-taking. Since the 20% projects are not linked directly to core business, employees fell less pressure which allow them to take risk confidently from their experimental side project. This confidence is performed on the basis of unstrictness accountability for the result of their side projects. Even if these projects fail, they are still considered acceptable because failure is embraced as a part of the innovation process. This openness to failure fosters valuable lessons and discoveries. With this in mind, the writers believe that this factor is the most essential driver for Google to achieve significant innovations at very high level. To exemplify, Google produced most iconic platforms which are crucial to the daily lives of users; Gmail, Google News, AdSense and Google Map.

DISCUSSION

Judging from Google's successfulness, the writers would like to relate the Candle Problem with the Google's phenomenon which contrast in terms of motivation and flexibility perspective.

Firstly, the Candle Problem experimental differs from Google's 20% initiative in that they have different problem-solving skills towards motivation. On the one hand, in the case of the Candle Problem, particularly those who are from incentivized participant members more considered financial incentive as a motivation to deal with the problem. This aim leads to the participants being more focused on rewards in the form of finance rather than the problem. As a result, this priority did not add to the likelihood of participants' strategic thinking to resolve the problem. On the contrary, the Google's 20%-time initiative is seen as a powerful driver of intrinsic motivation. Simply put, the Google's policy functions as an intrinsic reward, allowing employees to experience personal satisfaction through meaningful work, thereby improving their overall

performance. The Google's 20%-time initiative stimulates employees' feeling to be proud of their own work for the following reason. This is likely to be described as an intrinsic motivation which drives employees to work with passion and creativity. Simply put, intrinsic rewards play a crucial role in shaping employees' intrinsic motivation, particularly in the form of job satisfaction. As identified by Alkandi *et al.,* (2023), job satisfaction significantly mediates the relationship between rewards and employees' performance. In contrast to the extrinsic motivation related to the Candle Problem, the intrinsic motivation has a positive effect on Google employees' strategic thinking to come up with innovative solutions.

Secondly, another way to contrast the Candle Problem and the Google's 20% initiative is in regard to flexibility. This difference is closely associated with two types of motivation; extrinsic and intrinsic, which can lead to either flexibility or inflexibility, depending on which form of motivation is present. To be more deeply, motivation occurs when people widely know what kind of rewards they will receive for completing a task. When it comes to extrinsic motivation, people are motivated to do a task owing to financial rewards; in contrast, when it comes to intrinsic motivation, people are motivated to do a task owing to intrinsic rewards. On the one hand, as what happened in the Candel Problem, those incentivized participants who were promised to have monetary rewards became inflexible since there was a financial target which they wanted to achieve. In essence, the pressure of financial reward motivation stops people from having a creative thinking to produce more effective solution and innovation.

On the other hand, the Google's 20% initiative provides a completely freedom to employees as long as it is still in the track of Google's goal. Autonomy is regarded by Fontana, D'Alise & Marzano (2015) as a main motivational driver that factors in innovative propensity being positive. The Google's policy embraced the notion that employees' failures were acceptable and considered as learning opportunities to deal with process in creating innovation culture. This view let employees feel empowered to experiment and also compels employees finding and exploring alternative ideas without fear of failure; in contrast, those who belong to the incentivized participant members of the Candle Problem must had a lack of confidence with some possible alternative approaches to deal with the candle problem since they were concerned with its monetary reward consequence; won it or lose it. This consideration drove them deciding to resolve the problem traditionally instead of using innovative ideas.

CONCLUSION

To sum up, this essay has reviewed various studies supported by the contrast between the Candle Problem and the Google's 20% initiative in terms of rewards and innovative behaviour or creativity. It has been shown that based on the existing literature review, the conclusion that there is no direct positive correlation between performance-based (financial) rewards and innovative behaviour. Then, extrinsic rewards often lead to a narrow focus driven by the fear of losing the reward or the pressure to achieve a target, thereby inhibiting the *lateral thinking* required for complex, creative problem-solving. Lastly, intrinsic rewards derived from satisfaction, interest, and freedom (autonomy) encourage flexibility and a growth mindset, allowing employees to explore, take risks, and focus on solving the underlying problem, thus driving continuous innovation.

To illustrate the practical implementation of the relationship between reward and creativity based on the literature review, the writers add that the key factors necessary for sustain innovation within a company and embedding it into its culture by examining the differences of the Candle Problem and the Google's 20% initiative from motivation and flexibility perspective. It has been made clear that helping employees develop a mindset that embraces failure as a learning opportunity is key to building their confidence and unlocking creativity. In addition, motivation and flexibility are regarded as the primary factors that differentiate the Google's 20% initiative from the Candle Problem in terms of empowering and managing individuals to effectively navigate and address challenges. In light of these observations, providing employees with intrinsic rewards though a flexibility arrangement so that they are more likely to experiment, innovate, and contribute fresh ideas without hesitation is essential for a company.

SUGGESTION

Completing on the conclusions of this review, several avenues for future research can be proposed. First, because the findings indicate that financial rewards do not directly enhance innovative behaviour, future research could investigate hybrid reward systems that combine intrinsic and extrinsic elements (for example, autonomy paired with small process-based bonuses), examining whether timing, framing, or the size of financial incentives influences creative outcomes differently. Second, given that the effectiveness of rewards is often shaped by context, future studies could adopt a cross-cultural or cross-industry approach to explore how organisational culture, national

culture, or sector characteristics moderate the relationship between rewards and innovative behaviour.

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