

**Arab American University**  
**Faculty of Graduate Studies**  
**Department of Administrative &**  
**Financial Sciences**  
**Master Program in Human Resources Management**



**“The Impact of Rewards Management on Employee Creativity:  
Exploring the Mediating Role of Work-Life Balance in the Palestinian  
Insurance Sector”**

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**This Thesis Was Submitted in Partial Fulfillment of the Requirements  
for the Master Degree in Human Resources Management**

**Palestine, 08/ 2025**

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**Thesis Approval**

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## **Declaration**

I declare that, except where explicit reference is made to the contribution of others, this thesis is substantially my own work and has not been submitted for any other degree at the Arab American University or any other institution.

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## **Dedication**

To Palestine, my wounded homeland, and my eternal cause.

To Gaza, resilient in pain and steadfast in dignity.

To every stone, tree, and corner of this blessed land— I dedicate the fruit of my effort.

To my dear father, my pillar of strength and constant source of encouragement.

And to my beloved mother, whose light has guided me with patience, love, and endless prayers.

To their kind hearts and watchful eyes— this work is humbly dedicated.

And to everyone who believed in me and supported me along this journey of knowledge.

This achievement is yours as much as it is mine.

Dana Shaher Shaker Foqahaa

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To all who contributed to this academic journey- Thank You.

Dana Shaher Shaker Foqahaa

# **“The Impact of Rewards Management on Employee Creativity: Exploring the Mediating Role of Work-Life Balance in the Palestinian Insurance Sector”**

**Dana Shaher Shaker Foqahaa**

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**Prof. Fathallah Ghanem**

**Dr. Zahi Yassin**

## **Abstract**

**Purpose:** This study aims to investigate the mediating role of work-life balance in the impact of reward management (intrinsic and extrinsic rewards) on employee creativity in the Palestinian insurance sector. The research addresses the need to understand how reward systems can foster creativity while promoting employee well-being in a context marked by socio-economic and political challenges.

**Methodology:** A quantitative, cross-sectional approach was used, with structured questionnaires distributed to employees in West Bank insurance companies. Validated scales measured intrinsic/extrinsic rewards, work-life balance, and creativity. Data were analyzed using descriptive statistics, reliability checks, correlations, and SEM to test direct and mediating relationships.

**Results:** The findings revealed that both intrinsic and extrinsic rewards significantly influence employee creativity. Moreover, work-life balance demonstrated a significant mediating effect between rewards management and creativity. Specifically, intrinsic rewards had a stronger positive impact on creativity when mediated by work-life balance, highlighting the importance of psychological motivators and balanced work environments in fostering creativity.

**Value/ Originality:** This research sheds light on how reward management both intrinsic and extrinsic can enhance employee creativity through the mediating role of work-life balance. It offers a context-specific contribution to HR practices in the Palestinian insurance sector, emphasizing the strategic role of balanced reward systems in fostering creativity.

**Keywords:** Rewards Management, Employee Creativity, Work-Life Balance, Palestinian Insurance Sector.

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## List of Definitions of Abbreviations

No.	Abbreviations	Title
1.	HRM	Human Resource Management
2.	PIS	Palestinian Insurance Sector
3.	TIIG	Trust International Insurance Group
4.	SDT	Self-Determination Theory
5.	COR	Conservation of Resources
6.	RM	Reward Management
7.	EC	Employee Creativity
8.	SEM	Structural Equation Modeling
9.	SPSS	Statistical Package for the Social Sciences
10.	AVE	Average Variance Extracted
11.	PLS	Partial Least Squares
12.	CR	Composite Reliability
13.	VIF	Variance Inflation Factor
14.	SCIC	Smart Cities International Conference
15.	MAS	Palestinian Economic Policy Research Institute
16.	JMAS	Journal of Management Science
17.	HR	Human Resource
18.	WLB	Work-Life Balance
19.	GDP	Gross Domestic Product
20.	IT	Information Technology
21.	KS	knowledge sharing
22.	IP	Innovative Performance

# **Chapter One: Introduction**

## **1.1 Chapter Overview**

This chapter provides an overview of the study. It begins with the introduction to the topic, followed by the problem statement, research questions, and hypotheses. The chapter also provides the objectives of the study, why it is important, and the scope of research, as well as any limitation. Additionally, major terms applied in the study are defined in order to avoid any confusion in understanding the core concepts.

## **1.2 Background of the Study**

The effect of rewards on employee creativity is a contentious and multifaceted issue in organizational studies. Whereas some research indicates that rewards can undermine intrinsic motivation and consequently stifle creativity (Li et al., 2022), other scholars emphasize the potential of well-designed incentives to inspire creative performance (Saether, 2020). A meta-analysis of 60 studies combined the findings in a manner that summarized that rewards based on contingency that foster creativity reinforce creative performance, most effectively when positively followed by constructive feedback and autonomically supportive conditions (Byron & Khazanchi, 2012). Performance-contingent and completion-contingent rewards were modestly but negatively affecting creativity, which also implied that framework and environment are key to making reward systems effective (Li et al., 2022). Such findings emphasize the requirement for more study of contextual dimensions, such as work-life balance, that moderate between rewards and creativity (Baig et al., 2024).

Rewards are major contributors to organizational performance; rewards are positively related to employee outcomes, such as employee creativity. Rewards are primarily classified into two categories: extrinsic/financial and intrinsic/non-financial. Examples of extrinsic rewards include salaries, job security, promotions, and fringe benefits (Gkorezis & Kastritsi, 2017). They are given by others and do not have a direct connection with the work's essence itself. On the other hand, intrinsic rewards represent satisfaction, growth of an employee, and their autonomy that are caused and fueled by

meaningful work performance. In this context, it covers such facets as achievement, challenge, recognition, and personal growth. Rewards commonly mean all kinds of economic and psychological benefits that an organization provides to employees for motivating them and enhancing their performance (Obicci, 2015).

Current research suggests that intrinsic and extrinsic rewards contribute equally to employee creativity, and intrinsic rewards show a relatively greater impact. It is evidenced that organizations where reward systems are well developed possess a very high positive relationship between reward types and employee creativity, and around 76.3% of creativity is accounted for by the interaction between extrinsic and intrinsic rewards (Girma & Habtamu, 2019). However, intrinsic rewards, including praise, enrichment, and autonomy, are stronger determinants of creativity than money itself. This implies that businesses that desire to foster innovation need to provide not just attention to monetary reward but also design an environment that encourages psychological motivation and empowerment (Girma & Habtamu, 2019).

Organizations in today's work environment are adopting policies that will help in giving a better work-life balance to employees to enhance their performance and create an atmosphere of innovation (Badaruddin et al., 2024). This is because such balance has become critical to sustain in modern times, wherein both personal and professional worlds continue to collide. By helping employees balance work commitment with family and personal commitments, organizations can spur innovation, productivity, and reduced turnover among employees (Tamunomiebi & Oyibo, 2020). Due to this fact, most companies implement policies like wellness programs and flexible working conditions that make the workplace a friendly place to recruit and retain skilled employees (Agarwal and Bhakuni, 2024).

Aside from enhancing the employee retention, work-life balance and reward schemes together lead to a more engaged and creative workforce. Employees are more dedicated to their companies and more job-satisfied when they feel that they are fairly compensated and assisted in maintaining a suitable work-life balance (Gunawan et al., 2024). Research has shown that firms applying effective reward policies together with work-life flexibility practices foster an atmosphere in which the workforce is treated as appreciated members of a high-performing organization, enhancing creativity and reduces plans to quit (Enrika & Tirta, 2020). The marriage of rewards and work-life

balance serves not only to deepen employees' sense of belonging but also increases workplace productivity and innovation, and therefore is at the center of human resource programs today (Syal et al., 2024).

In economically and politically constrained environments like Palestine, HRM practices must be adapted to sustain employee engagement and innovation. Given the challenges of economic instability and resource limitations, organizations that integrate effective reward systems and flexible work policies are better positioned to enhance employee well-being, retention, and creativity (Ying & Allaqta, 2025). Tailoring HR strategies to these unique conditions is crucial for organizational resilience and long-term performance (Alsabbah et al., 2017).

Recent studies emphasize that reward management and work-life balance play a vital role in reducing turnover intention and enhancing employee well-being and motivation. Companies which develop well-planned reward schemes along with effective work-life balance policies create an organizational culture where the employees feel valued and loyal to their jobs (Putri et al., 2024). The findings show that when employees are perceived as experiencing fairness in their reward and work-life stability, they experience higher job satisfaction, higher productivity, and reduced turnover intention. Moreover, organizations with a work-life balance culture can enhance the creativity and motivation of employees since employees are more inclined to provide innovative ideas if they are supported professionally and personally (Putri et al., 2024).

Examining how rewards and work-life balance function within a particular firm is significant because of their pivotal role in the creation of creativity. Because of its economic relevance and the plight it encounters in managing its workers, the insurance sector in Palestine is a decent case study to examine in this regard. The Palestinian insurance sector is a pillar of economic stability but operates under significant political and financial pressures (Makkawi & Saadedin, 2021). Since the sector is based on human capital for financial stability and risk management processes, efficient HRM practices—more so reward management and work-life balance should be ensured for stimulating employee creativity and motivation. Nevertheless, adjustments have been made in companies through regulatory mechanisms and risk management policies to sustain them. Yet, the development of workers' creativity and innovation remains

important, requiring effective reward systems and work-life balance policies for increased workforce motivation and organizational resilience (Makkawi & Saadedin, 2021).

Insurance organizations always look for ways through which employee efficiency and creativity can be increased because of the dynamic nature of the sector. This is especially true in the case of Palestine, where insurance firms are doing business in the midst of a complex political economy. These businesses must have effective reward programs and work-life balance policies to recruit, retain, and motivate employees, which will ultimately drive innovation and enhance overall organizational performance if they want to stay competitive (Enrika & Tirta, 2020).

Therefore, this study aims to investigate the impact of rewards management on employee creativity in the Palestinian insurance sector, with a particular focus on the mediating role of work-life balance. By analyzing these relationships, the research seeks to provide valuable insights for policymakers and HR professionals to develop more effective strategies that enhance innovation and organizational resilience.

### **1.3 Significance of the Research**

The basis of selecting this research topic emanates from the growing realization that human capital constitutes a substantive element in the core of organizational success and continuity-particularly in those sectors, like insurance, that hold central positions in economic stability (Bublyk et al., 2021). In Palestine, for example, the insurance sector is one of the fast-growing sectors, with many unique challenges related to competitiveness, innovation, and human resource retention (Razia et al., 2024). It is also timely research because the issue it sought to explore-that effective reward management enhances employee creativity-is considered one of the critical factors driving creativity and a reason for maintaining competitive advantage in the market.

The growing competition in the service sector has pushed companies to improve service quality in order to increase customer satisfaction, which is linked to market share, profitability, and the company's financial performance (Zare et al., 2024). However, previous research primarily focused on external service relationships and overlooked internal organizational factors that affect service quality (Salahat et al.,

2016). Therefore, this study aims to explore the impact of rewards management on employee creativity, with a specific emphasis on the mediating role of work-life balance in this process. By examining how rewards systems influence creativity in the Palestinian insurance sector, the research seeks to provide insights that can enhance employee satisfaction and improve organizational performance.

Work-life balance as a mediating variable is important in that it shows its direct impact on employee well-being and job satisfaction, which are major influencers in productivity and creativity (Ha et al., 2024). Understanding this relationship will provide valuable insight into how companies within the insurance sector can create an atmosphere of innovation while ensuring employee satisfaction and retention.

The implications of the study, therefore, play a very significant role in the development of the Palestinian insurance sector. The study will give practical recommendations to companies wanting to enhance their human resource practices, as well as to the Palestinian Capital Market Authority, which may use these findings to develop regulations that further encourage favorable work conditions that will also ensure sustainability in business practices. It will help the Union of Insurance Companies in Palestine through a model whereby greater cooperation can take place from management right down to employee levels, which will certainly affect the collective development and competitiveness of the sector.

### **1.3.1 Theoretical significance**

Theoretically, the study adds to the reward management, employee creativity, and work-life balance literature by investigating the interactive dynamic of these variables in the Palestinian insurance sector. More specifically, the study extends the theories of human resource management, organizational psychology, and organizational behavior.

**The theoretical implications of this study can be summarized as follows:**

- **Enhancing Reward Management Models:** This study illustrates how every aspect of reward management (e.g., money and non-monetary rewards, fairness in rewarding) affects the creativity of employees, with work-life balance being a

mediating variable that plays a central role. It adds richness to the development of more comprehensive models considering the role rewards play as drivers of motivation besides explicit money rewards, complementing current motivation and work creativity theories.

- **Evolutionary Theories of Employee Creativity:** In a consideration of the dual function of rewards in promoting creativity—both as explicit motivator and as means to an enhanced supportive work environment—this research contributes to our knowledge of the determinants of innovative behavior. This orientation is in line with Amabile's (1996) Componential Theory of Creativity, which emphasizes environmental variables as causal predictors of creative performance.
- **Contributing to Work-Life Balance Theory:** The present study provides empirical findings on the role of work-life balance as an intervening variable between reward management and employee creativity. The research brings to the forefront the significance of work-life balance in not only adding to improved well-being among employees but also facilitating higher degrees of creativity and innovation. The findings contribute to existing work-life balance theories as it indicates its extensive influence on organizational outcomes.

This study, therefore, makes significant contributions to theory that improve existing models and bring new knowledge regarding how reward management, work-life balance, and creativity intersect in organizational contexts.

### 1.3.2 Empirical significance

This study has significant empirical implications by examining the interaction between reward management and employee creativity with particular focus on the mediating role of work-life balance. The findings provide practical implications that can enhance human resource practices, promote innovation-friendly work environments, and drive organizational performance in the Palestinian insurance sector. The most significant practical implications can be enumerated as follows:

- **Enhancing Human Resource Management Practices:**
  - **Benefit:** The study offers HR departments empirical study on how reward systems influence creativity through the integration of financial and non-financial rewards.

- **Application:** Flexible reward policies can be implemented by organizations according to the different needs of employees, for example, offering flexible work practices and well-being initiative programs, for a more innovative and productive workforce.
- **Enhancing Policy Formulation for the Insurance Sector:**
  - **Benefit:** The results provide policymakers with practical guidance to formulate workplace policies that foster innovation and organizational sustainability in the long run.
  - **Application:** Insurance companies can introduce innovation-driven policies such as the inclusion of creativity as one of the parameters of key performance and reward schemes promoting solution-finding as well as creative thinking.
- **Enhancing Worker Education and Career Development:**
  - **Benefit:** The research informs training and development practitioners how best to promote creativity and ensure work-life balance among employees.
  - **Application:** Training modules can be designed to incorporate imaginative thinking, time management, and work-life balance techniques that equip employees with the required skills to deal with workplace challenges and enhance their innovative capabilities.
- **Contributing to Management and Organizational Behaviour Research:**
  - **Benefit:** The study contributes to previous research on how reward management affects creativity, particularly in organizational settings of economic and social stress.
  - **Application:** Future researchers are able to make an extension of such study by cross-industry comparison or examining cultural and organizational determinants influencing the relationship between rewards and employee creativity.

Through presenting evidence-informed recommendations, this study provides constructive feedback to organizations, policymakers, and scholars, contributing knowledge around how work-life balance and reward management intertwine to motivate innovation in driving workplace change.

## 1.4 Statement of the Problem

With the modern knowledge-based economies, creativity is a key skill for organizations to transform, grow, and keep a competitive edge (Zhou, et al., 2021). As organizations compete increasingly in the service sectors, they rely heavily on the intellectual capital and the innovation potential of employees (Kianto et al., 2010). Human Resource Management (HRM) practice, especially reward management systems, are usually conceptualized as strategic levers to encourage such creativity (Ahmed et al., 2023). Yet, despite the theoretical emphasis on the role of rewards in inducing performance, their empirical role in creative behavior remains contentious (Malik & Butt, 2017).

Reward management, both intrinsic (e.g., recognition, autonomy) and extrinsic (e.g., bonuses, promotions), is widely recognized as a key determinant of employee engagement and performance (Manzoor et al., 2021; Boadi, 2025; Pandya, 2024). However, scholars continue to debate whether extrinsic rewards foster or inhibit creativity, particularly in environments characterized by stress, low autonomy, and resource constraints (Al-Mahdawi, 2016). While some studies suggest that properly structured rewards can stimulate innovative thinking, others caution that over-reliance on monetary incentives may suppress intrinsic motivation and long-term creative capacity (Aldabbas et al., 2025; Mazafay et al., 2023 ; Cromwell, 2024).

This theoretical debate takes on a pressing relevance in the Palestinian context. The insurance sector in Palestine takes on a growing economic role, with a contribution of over 2% to GDP and employment of over 1,500 workers in 12 companies (Palestinian Capital Market Authority, 2024). It is also marked by an unstable political climate, limited economic resources, and high employee turnover. Employees frequently face job insecurity, elevated workloads, and limited opportunities for development factors that can severely hinder creative engagement (Salahat et al., 2016; World Bank, 2019). Despite these realities, there is a notable absence of empirical studies that explore how reward strategies influence employee creativity in this high-pressure, resource-constrained sector.

Furthermore, the role of Work-Life Balance (WLB) has gained popularity in recent studies as a mediating variable that affects the impact of reward systems on

employee outcomes (Syal et al., 2024; Medina-Garrido et al., 2017; Hariri et al., 2024). It has been proven that positive work-life policies enhance well-being, reduce emotional exhaustion, and facilitate intrinsic motivation (Marecki, 2023). However, the extent to which WLB accounts for the relationship between reward management and creativity remains largely unspecified, especially in the Arab world and in socioeconomically disadvantaged sectors like insurance.

To date, and as the researcher knows, no extensive empirical research has addressed the triadic interaction between reward management, work-life balance, and employee creativity in the insurance sector in either Palestine or the rest of the world. This exceptional absence of cross-disciplinary research leads to a conclusive lack of theoretical models and practical applications, denying human resource professionals clear, evidence-based reward system design best practices that, simultaneously, drive innovation and promote employee well-being. In answer, this study seeks to contribute additional insights by investigating this relationship within the under-researched context of the Palestinian insurance sector.

### **1.5 Objectives of the Study**

This study aims to investigate the mediating role of work-life balance in the impact of reward management (intrinsic and extrinsic rewards) on employee creativity in the Palestinian insurance sector.

**Accordingly, the following sub-objectives were developed to achieve the aim of the study:**

1. To determine the level of reward management (intrinsic and extrinsic rewards) in the Palestinian insurance sector.
2. To determine the level of work-life balance in the Palestinian insurance sector.
3. To determine the level of employee creativity in the Palestinian insurance sector.
4. To examine the direct impact of reward management (intrinsic and extrinsic rewards) on employee creativity in the Palestinian insurance sector.
5. To examine the direct impact of reward management (intrinsic and extrinsic rewards) on work-life balance in the Palestinian insurance sector.
6. To examine the direct impact of work-life balance on employee creativity in the

Palestinian insurance sector.

7. To examine the mediating role of work-life balance in the impact of reward management (intrinsic and extrinsic rewards) on employee creativity in the Palestinian insurance sector.

## **1.6 Questions of the Study**

**The purpose of this study is primarily to address the following question:**

1. What role does work-life balance play in mediating the impact of reward management (intrinsic and extrinsic rewards) on employee creativity in the Palestinian insurance sector?

**Accordingly, the following sub-questions are addressed in this study:**

2. What is the level of reward management (intrinsic and extrinsic rewards) in the Palestinian insurance sector?
3. What is the level of work-life balance in the Palestinian insurance sector?
4. What is the level of employees' creativity in the Palestinian insurance sector?
5. Does reward management (intrinsic and extrinsic rewards) have a direct impact on employee creativity in the Palestinian insurance sector?
6. Does reward management (intrinsic and extrinsic rewards) have a direct impact on work-life balance in the Palestinian insurance sector?
7. Does work-life balance have a direct impact on employee creativity in the Palestinian insurance sector?
8. Does work-life balance mediate the impact of reward management (intrinsic and extrinsic rewards) on employee creativity in the Palestinian insurance sector?

## **1.7 Hypotheses of the Study**

**The study seeks to examine the following hypotheses:**

- H1: Work-life balance plays a significant mediating role in the relationship between intrinsic rewards and employee creativity in the Palestinian insurance sector.

- H2: Work-life balance significantly mediates the impact of extrinsic rewards on employees' creativity in the Palestinian insurance sector.
- H3: There is a significant direct impact of intrinsic rewards on employees' creativity in the Palestinian insurance sector.
- H4: There is a significant direct impact of extrinsic rewards on employees' creativity in the Palestinian insurance sector.

## 1.8 Scope of the Study

This study focuses on examining the impact of reward management both intrinsic and extrinsic—on employee creativity, with particular emphasis on the mediating role of work-life balance. The scope of the study is defined as follows:

- **Topical Scope:** The research is limited to the study of three variables: reward management (independent variable), work-life balance (mediating variable), and employee creativity (dependent variable). It does not address other organizational factors beyond these constructs.
- **Temporal Scope:** The data were collected during the second semester of the academic year 2024–2025. As such, the study reflects the organizational conditions and employee perceptions during that specific timeframe.
- **Human Scope:** The study is limited to employees working in Palestinian insurance sector, with a focus on administrative and human resources staff who are familiar with internal policies and daily operational practices.
- **Geographical Scope:** The study covers all governorates of the West Bank, including: Nablus, Tulkarm, Jenin, Ramallah and Al-Bireh, Hebron, Bethlehem, Qalqilya, Tubas, Salfit, Jericho and the Jordan Valley, and accessible parts of Jerusalem. Due to the ongoing Israeli aggression on the Gaza Strip during the data collection phase, insurance companies in Gaza were not included.
- **Scientific Scope:** There is a notable scarcity of previous Arabic and local empirical research that simultaneously examines the relationships among the three variables within the Palestinian context. The researcher relied on a set of relevant and recent studies to establish a theoretical framework that supports the hypotheses and research model.

## 1.10 Study limits

This research aims to explore the mediating role of work-life balance in the relation between reward management and employee creativity in the case of insurance employees in Palestine. Based on the main research aim and the identified research gap, the most appropriate type of research for this research is exploratory research.

Hence, an exploratory design and quantitative approach were selected. Data was gathered using a cross-sectional questionnaire. The study has three primary variables: Reward Management (independent variable), Work-Life Balance (mediating variable), and Employee Creativity (dependent variable).

- **Reward Management (Independent Variable):** Measured using a scale that includes both intrinsic (e.g., recognition, autonomy, achievement) and extrinsic (e.g., salary, bonuses, benefits) dimensions.
- **Work-Life Balance (Mediating Variable):** Assessed through a scale encompassing time balance, satisfaction balance, and involvement balance between personal and professional responsibilities.
- **Employee Creativity (Dependent Variable):** Measured by assessing employees' self-reported ability to generate novel ideas, solve problems innovatively, and contribute creatively within their work environments.

While the quantitative, cross-sectional study design offers a snapshot of the inter-relationships among the variables, it is not possible for it to capture what happens over time. The findings are also limited to the insurance sector in Palestine and cannot be extrapolated to other sectors or geographical locations.

## 1.11 Definition of Terms

Table (1. 1): Definition of Terms

Construct	Type of Construct	Definition	Reference
<b>Rewards Management</b>	<b>Independent Variable</b>	A reward system can be viewed as a systematic program to reward and recognize high-flying employees, and also as a motivational tool to encourage underachievers to perform better. Additionally, such systems have been widely regarded as a prime driver to enhance employee	(Bolatito & Mohamoud, 2024)

		satisfaction and maximize productivity in the workplace.	
<b>Work-Life Balance</b>	<b>Mediating Variable</b>	Is a dynamic, multi-dimensional concept that defines an individual's continuous effort to effectively manage work responsibility and family responsibility. Not only does it try to minimize work–family conflict, but it also tries to facilitate mutual enrichment as well as overall life satisfaction. The construct has developed with the increasing speed of technology, shifting demographics, and changing social structures, thus becoming a predictor of employee well-being and sustainable organization.	(Zaitouni et al., 2024)
<b>Employee Creativity</b>	<b>Dependent Variable</b>	It refers to the capability of employees to generate novel and applicable ideas, answers, or approaches on the job. It involves the intentional production of new and useful outcomes as solutions to work issues. Workers' creativity is maximized when they engage in knowledge sharing, deliberate on various perspectives, and collaborate to solve problems—particularly with extreme instrumental and expressive social bonds in place that enable cognitive and emotional support within organizational environments.	(Ali et al., 2022)

### 1.12 Study limitations

This study, despite being aimed at examining the impact of reward management on employees' creativity and work-life balance's mediating role in the Palestinian insurance sector, is susceptible to several limitations that should be considered:

- 1- Political and Social Environment in Palestine:** The political and social unrest in Palestine, security concerns, and the constraints caused by the existing occupation posed tremendous difficulties in carrying out the research and collecting data seamlessly from insurance companies in all Palestinian regions.
- 2- Limited Generalisability:** The study was conducted in selected geographical areas, i.e., in selected West Bank governorates. The findings, hence, might not be fully generalizable to all insurance employees in the entirety of Palestine or even to other industries apart from insurance.
- 3- Temporal Limitation (Cross-Sectional Design):** The data were collected at a single point in time, precluding the ability to examine possible dynamic changes

in the interaction between reward management, work-life balance, and employee creativity over time or as a function of organizational or environmental change.

- 4- **Focus on a Specific Sector:** The study was limited to the insurance sector alone, which has its own idiosyncrasies in terms of the nature of operations and dynamics of work. Such a concentration at the sectoral level might limit the extensibility of the findings to other sectors, whether economic or service sectors.
- 5- **Lack of Previous Studies in the Palestinian Context:** The lack of previous studies that researched the interdependence among reward management, work-life balance, and employee creativity in the Palestinian context was a barrier to developing a firm theoretical foundation and validating the study using appropriate empirical literature.
- 6- **Political Conditions and the Aggression on Gaza:** Due to the ongoing Israeli assault on Gaza during data gathering and subsequent humanitarian and security crisis, questionnaires were unable to be distributed by the researcher to insurance firms operating in Gaza. The research was therefore based on the West Bank-based firms, whose constraining factors are in the level of coverage and generalisation of findings on the entire Palestinian insurance sector.

### 1.13 Thesis Structure Overview

This thesis is composed of five interrelated chapters, each contributing to a comprehensive exploration of the study's central research problem. The study investigates the impact of reward management—encompassing both intrinsic and extrinsic rewards (independent variable)—on employee creativity (dependent variable), with a specific focus on the mediating role of work-life balance in the Palestinian insurance sector. The thesis is structured as follows:

- **Chapter One: Introduction**

This chapter gives the study background, formulates the research problem, outlines the study importance, stipulates the research objectives and questions, and provides the research hypotheses. It provides the foundation for the understanding of the study's theoretic and applicability importance.

- **Chapter Two: Literature Review**

This chapter comprises two main sections:

- **Theoretical Framework:** Describes the key study variables, their dimensions and significance in line with prevailing theory and research.
- **Hypothesis Development:** Derives the research hypotheses from the conceptual model, presenting a theoretical explanation for each hypothesis based on existing empirical research.

- **Chapter Three: Methodology**

This chapter describes the research design, operationally defines study population and sample size, and the data collection instruments and statistical methods employed to finish the study in a manner that ensures its reliability and validity.

- **Chapter Four: Results**

This chapter presents a detailed analysis of the gathered data using statistical techniques, answers the research questions, tests the hypotheses, and offers a critical discussion of results by comparing it with previous work.

- **Chapter Five: Discussion**

This chapter highlights the key findings, makes well-supported conclusions, and provides pragmatic recommendations based on the results of the study. Furthermore, it lists the study limitations and shows how further contribution can be made to academic research into the topic area in future studies.

## **Chapter Two: Literature Review**

### **Theoretical Framework and Previous Studies**

#### **2.1 Introduction**

Theoretical framework and previous studies for the research are presented here, with the maximum possible emphasis on the three key variables: rewards management, employee creativity and work-life balance. The goal is to develop a comprehensive framework that explains how reward plans affect worker creativity with a maximum emphasis on the possible moderating effect of work-life balance. The chapter explores the interrelations of the study variables guided by relevant theories and empirical research in organizational behavior, creativity research, and human resource management. To seek knowledge gaps and offer justification for the suggested research model, the chapter also assesses previous research, particularly in light of the unique organizational and socioeconomic forces of the Palestinian insurance sector.

#### **2.2 Conceptual Foundation and Building Theory**

##### **2.2.1 Reward Management**

A well-crafted reward framework plays a critical role in aligning employee behavior with the strategic goals of the organization (Francis et al., 2020). These rewards are broadly categorized into two interrelated types: Extrinsic Rewards (Financial) and Intrinsic Rewards (Non-Financial), both of which collectively contribute to enhancing productivity, satisfaction, and employee creativity (Sayed et al., 2021).

According to Malek, Sarin, and Haon (2020), extrinsic rewards refer to tangible, performance-based monetary benefits and are generally classified into direct and indirect forms. Direct financial rewards such as salaries, wages, and performance-related bonuses are foundational to compensation and are typically tied to the achievement of individual, team, or corporate goals. Another common financial mechanism is profit-sharing, which distributes a portion of a company's earnings to its employees, fostering greater engagement and a sense of shared ownership (Hambly et

al., 2019). On the other hand, indirect extrinsic rewards encompass long-term benefits such as health insurance, pension schemes, and stock options, which contribute to employees' financial security and encourage long-term organizational commitment (Lestari et al., 2020).

Conversely, Intrinsic rewards address the psychological and interpersonal needs of employees and serve as vital tools for improving work engagement, Creativity, and job satisfaction (Elrayah & Semlali, 2023). These include recognition-based rewards, where employees are acknowledged for their efforts through certificates, awards, or verbal praise, all of which reinforce their sense of value and intrinsic motivation (Chi et al., 2023). Additionally, professional development opportunities such as training programs and mentoring play a central role in enhancing both personal fulfillment and career progression (Reddy, 2020). Policies that support work-life balance, such as flexible scheduling and remote work, further bolster employee wellness and effectiveness (Susilo, 2024). A supportive work environment and the provision of autonomy are also instrumental in increasing job satisfaction and cultivating a sense of empowerment among employees (Anual et al., 2023).

Reward management, therefore, encompasses the strategic efforts undertaken by organizations to build structured systems that motivate employees, elevate performance levels, and reinforce organizational loyalty (Kathombe, 2018).

## **Theoretical Underpinning - Reward Management**

Effective reward management is based on a number of important theories within organizational behavior and motivation. These theories describe how various types of rewards affect the attitudes, performance, and commitment of employees. A number of the most relevant theories include the following:

- **Goal-Setting Theory– (Locke & Latham, 1990):** It is a theory that suggests setting certain and challenging goals raises the performance of employees, especially if supplemented with commitment and continuous feedback.
- **Self-Determination Theory– (Deci & Ryan, 1985):** This theory argues that fulfilling employees' autonomy, competence, and relatedness needs will increase their intrinsic motivation, which leads to better performance.

- **Organizational Behavior Modification– (Luthans & Kreitner, 1975):** This theory is based on behavioral principles, emphasizing that positive rewards and feedback can strengthen desired behaviors to improve job performance.
- **Expectancy Theory– (Vroom, 1964):** This theory argues that a person's motivation is governed by three things: the belief that effort will lead to performance, the anticipation that performance will be followed by a reward, and the attractiveness of the reward.
- **Equity Theory– (Adams, 1963):** The theory predicts that employees determine fairness by comparing their ratio of inputs to outcomes with others. Perceived inequity can lead to reduced motivation.
- **Theory X and Theory Y– (McGregor, 1960):** This theory classifies employees as two types: Theory X holds that employees are lazy by nature and need to be directed and motivated, whereas Theory Y holds that employees are motivated by nature and can handle themselves provided there is a favorable work environment.
- **Two-Factor Theory– (Herzberg, 1959):** This theory separates the causes of employee satisfaction into motivators (e.g., achievement, recognition) and hygiene factors (e.g., compensation, work environment). Motivators cause job satisfaction, whereas the lack of hygiene factors causes dissatisfaction.
- **Incentive Theory– (Skinner, 1953):** This theory holds that human behavior is driven by external rewards or the threat of punishment. In the workplace, financial and non-financial rewards can enhance performance if they are aligned with what employees' value.

Reward scheme frameworks draw on theories of motivation and behavior useful for explaining their impact on employees' creativity in difficult and materially resource-scarce environments such as the Palestinian insurance sector. Goal-Setting Theory (Locke & Latham, 1990) calls for the setting of specific, hard goals and continuous feedback to direct employee effort towards creativity outcomes. When reward systems are focused on achievement of the objectives, especially creativity-performing objectives, employees will be goal-oriented and intrinsically driven.

This perspective is extended by Expectancy Theory (Heneman & Schwab, 1972), which holds that motivation hinges on employees' expectations that effort will lead to performance, and performance, in turn, will lead to desired rewards. In the

insurance sector in Palestine, where firms are more likely to operate with budgetary and operational constraints, balancing financial and non-financial rewards with clearly stated performance expectations must be practiced to boost employee inspiration and creativity. Additionally, the integration of work-life balance practices within this interaction strengthens organizational support and justice perceptions on the part of the employees.

Deci & Ryan (1985) Self-Determination Theory is formulated on intrinsic motivation theory by substantially concentrating on fulfilling employees' psychological needs for competence, autonomy, and relatedness. Open decision-making frameworks, training schemes, and flexible timetables are highly effective non-monetary rewards in this regard. These are not only more creative, in that they develop internal motivation, but are also partners to a balanced work-life style further supporting employee engagement in creative processes and job satisfaction.

Equity Theory (Adams, 1963) is concerned with perceived fairness and how it influences effort and performance. Employees make comparative judgments about other people's input-output ratio with their own, and a perceived injustice will deter effort and creativity initiatives. Hence, open and fair reward policies, most especially those that reinforce performance and individual needs, form the basis for the maintenance of trust and creativity. Significantly, equitable access to flexible work schedules and reward systems is especially important in achieving work-life harmony, which indirectly leads to creativity.

Herzberg's Two-Factor Theory (1959) is supplemented by the differentiation between hygiene factors, such as compensation and job security, and motivators, such as recognition, responsibility, and achievement. While the hygiene factors strive to keep dissatisfaction at bay, it is the motivators that ensure greater levels of motivation and creativity. In the Palestinian insurance sector, mere financial compensation does not suffice. Organizations must integrate intrinsic motivators and invigorating systems that induce creativity and overall wellness.

The behavioral foundations of Organizational Behavior Modification (Luthans & Kreitner, 1975) state that good behavior, in our case creativity, must be followed by systematic, immediate, and pervasive rewards. The workers are constantly rewarded for generating creative ideas; therefore, they learn the behavior and keep doing it. This is in

accordance with Incentive Theory (Skinner, 1953), which states that behavior is governed by its repercussions. However, overuse of extrinsic rewards negates intrinsic motivation, and thus the case for a balanced and stable reward system using both elements is argued especially forcefully in the context of such a valued activity for flexibility and problem-solving.

Finally, McGregor's Theory X and Theory Y (1960) offer managerial implications for reward system design. Organizations that keep Theory Y philosophy in mind—employees are internally motivated and self-management is feasible—are likely to empower employees, improve autonomy, and develop a culture of creativity. This is cemented if based on work-life balance programs and extends to a healthy, adaptive, and creative workforce.

Together, these columns of theory form a reconciling framework for building reward systems that motivate not only employee performance but also well-being and creativity. For the Palestinian insurance market, where firms must navigate economic uncertainty and brain drain, tying rewards to employees' psychological and utilitarian motivators and promoting work-life balance can produce substantial and sustainable competitive advantage.

### **2.2.2 Employee Creativity**

Employee creativity refers to the capacity to generate original, valuable ideas, processes, or solutions that enhance innovation and organizational performance in the workplace (Yesuf et al., 2024). Regardless of the limited economic climate of the Palestinian market at least in its particularly in the creativity-relevant domain of the Palestinian insurance sector creativity remains a major competency that values performance effectiveness, service creativity, and competitive competitiveness (Razia et al., 2024). According to this vision, creative employees bear a crucial role not only to generate new ideas but to translate them into practical working solutions and address organizational issues as well as ensure sustainable development (Yesuf et al., 2024).

Workplace creativity is shaped by an interrelated combination of factors that work at individual, organizational, and environmental levels. At an individual level, key predictors of creative capacity are intrinsic motivation, job knowledge, and mental

flexibility (Karimi et al., 2022). Among them, motivation is particularly significant as it encourages curiosity, task enjoyment, and resilience the exact attributes needed to do creative work (Ryan & Deci, 2017). Intrinsically motivated workers are reported to think outside the box and challenge conventional norms and test conventional practices, opening the gates for creativity (Urban et al., 2024). In the Palestinian insurance sector, where employees often work under stress and in strict supervisory settings, intrinsic motivation is essential to maintain creativity capability (Al Najjar, 2022).

Even at the organizational level, organizational culture, reward systems, and leadership behavior all facilitate creative expression to the play an equally critical role in facilitating creative expression. As Baranshakaje (2023) has explained, autonomy support leadership, rational risk-taking, and team contribution leave idea ownership to employees and engage employees to contribute positively to organizational creativity. Equally, experimental culture, thinking differently, and positive criticism contribute towards developing a culture where creativity can thrive. To insurance companies that desire to keep pace with standards in emerging markets, these are the cultural bases on which creativity can be constructed in product creativity, customization of services, and firm procedures.

Reward systems, financial and non-financial, also have a significant impact on employee creativity. While financial rewards such as bonuses may drive short-term creative behavior, non-financial rewards such as recognition, flexible working hours, and career development opportunities will have a deeper, long-term impact by enhancing intrinsic motivation (Mdhlalose, 2024). In the Palestinian insurance context, where financial resources often restrict large financial incentives on a large scale, organizations can use non-financial strategies in line with work-life balance imperatives to foster creativity. Policies that allow time management by employees, making them feel valued, and allowing meaningful professional development can be the drivers of creative problem-solving and proactive engagement (Khoury, 2021).

Overall, employee creativity is a multifaceted construct that is susceptible to internal motivation, organizational support, and reflective reward practice (Mdhlalose, 2024). Within sectors like insurance especially in cases of socioeconomic context companies that integrate reward management and work-life balance practices as

deliberate strategies aimed at fostering creativity will be more apt to retain creativity and long-term sustainability.

### **Theoretical Underpinning - Employee Creativity**

- **Transformational Leadership Theory– (Bass & Avolio, 1994):** Leaders who inspire, intellectually challenge, and support employees create the psychological conditions for creativity. In the Palestinian context, transformational leadership can counter rigid hierarchies and enable employees to contribute novel ideas confidently.
- **Interactionist Perspective on Creativity– (Woodman, Sawyer & Griffin, 1993):** This theory sees creativity as an outcome of the interaction between individual traits, team dynamics, and organizational culture. In insurance companies, creativity emerges when collaboration, open communication, and leadership support are aligned with individual capabilities.
- **Social Cognitive Theory– (Bandura, 1986):** Creativity develops through modeling, observation, and belief in one’s capability (self-efficacy). Insurance firms that recognize and reward creative behaviors publicly can build a culture where employees feel empowered to innovate.
- **Self-Determination Theory– (Deci & Ryan, 1985):** SDT explains that fulfilling psychological needs—autonomy, competence, and relatedness—enhances intrinsic motivation, which is key to creative behavior. When Palestinian insurance firms offer flexible structures and supportive environments, they encourage self-driven creative engagement.
- **Componential Theory of Creativity– (Amabile, 1983):** This theory proposes that creativity is a function of the interaction among domain-relevant skills, creativity-relevant cognitive processes, and intrinsic task motivation. In the Palestinian insurance sector, the enhancement of employees' expertise and the provision of autonomous problem-solving allow for overcoming routine-bound constraints and creating creativity.
- **Job Characteristics Model – (Hackman & Oldham, 1976):** Though not solely a creativity theory, it links task variety, autonomy, and meaningful feedback to

intrinsic motivation. Redesigning roles in insurance sectors to include these elements supports employee engagement and creative performance.

Employee creativity is facilitated through a group of underlying theories that offer insight into the way individual motivation, organizational form, leadership, and work processes interact to generate creativity. These theories help to position the way creativity can be developed strategically, particularly within constrained environments like the Palestinian insurance sector.

The Componential Theory of Creativity (Amabile, 1983) postulates that creativity results from the interaction of domain knowledge, creative thinking, and intrinsic motivation. Within the Palestinian insurance sector, where procedural rigidity typically inhibits adaptability, autonomy and expert skill development are essential to enable creative problem-solving. It is achievable through training employees in creativity service models, encouraging experimentation, and valuing non-linear thinking within claims handling or policy customization (Amarah, 2022).

Self-Determination Theory (Deci & Ryan, 1985) mandates that workers are most creative when their psychological needs for autonomy, competence, and relatedness are fulfilled. This is particularly relevant in insurance environments where employees tend to deal with predetermined tasks and performance levels. Offering greater autonomy of decision, development of skills, and feeling of belonging, Palestinian insurers are able to foster a working environment conducive to creative engagement (Atiyeh, 2022).

Creativity within the organization is enhanced through an active dynamic interaction between personal competence, team, and organizational environment, as proposed by the Interactionist Perspective of Creativity (Bratnicka- Myśliwiec, 2018). It is encouraged when cross-functional teams are nurtured to share notes, make assumptions, and co-create joint innovative customer solutions. Cultural openness and leadership encouragement increase such a dynamic further (Woodman et al., 1993).

Transformational Leadership Theory (Bass & Avolio, 1994) requires that the leaders that inspire, intellectually challenge, and observe employees foster psychological safety necessary to generate creativity. Within Palestinian insurance firms, where bureaucratic environments may hinder risk-taking, transformational

leaders have the ability to empower the employees to challenge norms, introduce new product offers, and redefine service processes (Salahat et al., 2016)

Social Cognitive Theory (Bandura, 1986) emphasizes that employees learn new behavior through modeling, reinforcement, and self-efficacy. If innovation is modeled and rewarded across departments, whether through creativity awards or recognition in staff meetings, other employees will follow these behaviors. Innovation, in this way, is made a part of organizational culture (Mdhlalose, 2024).

The Job Characteristics Model (Hackman & Oldham, 1976), originally developed to explain work motivation, indirectly stimulates creative performance through job enrichment. Autonomy, variety in tasks, and feedback allow intrinsic motivation, which stimulates creativity. Redesigning the job role in the Palestinian insurance sector to ensure optimal problem-solving discretion and broadened task responsibilities can maintain long-term creativity (Farid et al., 2023).

Together, these theories present a unifying framework for how to motivate employees' creativity through motivation, leadership, work design, and organizational support. For Palestinian insurance sector that are working within economic and human capital constraints, their application is critical in developing adaptive, innovative, and resilient models of service provision.

### **2.2.3 Work-Life Balance (WLB)**

Work-Life Balance (WLB) is one of the most significant organizational behavior theories that defines equilibrium between work and personal responsibilities so that both can be achieved successfully (Kim, 2022). WLB is the degree to which an individual can balance the time, emotions, and behaviors demanded by professional tasks and family responsibilities simultaneously (Brough et al., 2022). The dual involvement and satisfaction in both aspects are emphasized through this definition.

The significance of WLB goes beyond individual well-being, impacting organizational performance such as employee creativity and performance (Lubis et al., 2024). Lubis et al. (2024) found that employees with enhanced WLB are more creative and better at solving problems, hence enhancing overall performance. The study

indicates that WLB and creativity have positive and significant impacts on employee performance, both directly and indirectly through problem-solving.

Further, WLB is highly connected to reward systems in organizations. Syal et al. (2024) confirmed that rewards and WLB both have a significant and positive impact on job satisfaction and employee retention. The results show that job satisfaction can mediate significantly between either WLB or rewards and employee retention.

Lubis et al. (2024) in their research tested the impact of WLB, creativity, and job stress on their impact on employees' performance with problem-solving as a mediator variable. According to their research, it was determined that WLB and creativity both positively and significantly influenced employees' performance both directly and indirectly by their impact in strengthening the problem-solving capacity. Work stress, however, showed significant and negative performance impact via problem-solving also. This puts us in light to work toward cultivating a congenial work culture for optimizing workers' performance as well as their creativity.

In the insurance sector, where workers are under conditions of stress at work, effective use of WLB programs is needed. Working hour flexibility, support from management, and recognition by employees can facilitate WLB, enhancing the job satisfaction and innovativeness of employees. This, in turn, can improve employee retention and firm performance in an industry faced with economic and operational problems (Lubis et al., 2024; Spinify, 2024; WorkProud, 2024).

Furthermore, the relationship between reward systems and WLB has also been shown to have a direct influence on job satisfaction and employee retention. Syal et al. (2024) confirmed rewards and WLB are significantly and positively related to employee retention, and job satisfaction is a mediator here. This suggests that organizations focusing on employee retention need to have strong reward systems and policies offering work-life balance (Enrika & Tirta, 2020).

The partnership of WLB and professional development is also accountable for improving the performance of employees (Jamilah et al., 2024). In line with a study by Badaruddin et al. (2024), a wholesome work environment and professional development opportunities make significant contributions to employee performance. Employees who enjoyed a positive WLB experience reported less stress and more job satisfaction, leading to increased productivity (Hariri et al., 2024).

In conclusion, the entanglement of WLB practices, reward schemes, and skills development programs is an enabling context for creative workforce, work satisfaction, and staff retention (Wang, 2024; Ahmada et al., 2023). The interventions should be the priority, especially for the high-stress organizations such as insurance, if these are to achieve an empowered and innovative workforce.

### **Theoretical Underpinning– WLB**

- **Work-Family Enrichment Theory– (Greenhaus & Powell, 2006):** Compared to conflict models, this theory assumes that work and family can enrich one another through the sharing of skills, mood, and resources. Positive experience in one setting can spill over into enhanced functioning in the other. The theory supports the building of reciprocally enriching work-life interventions.
- **Job Demands-Resources (JD-R) Model– (Demerouti et al., 2001):** The JD-R model explains how work demands are bound to lead to strain, while job resources (such as autonomy, support) enhance motivation and engagement. Balance between work and life is attained when resources outnumber demands. The model has found widespread use in occupational health and WLB research.
- **Boundary Theory– (Ashforth et al., 2000):** Boundary theory is interested in how an individual gets around work, emotional, and physical boundaries between work and home life. Good boundaries protect against interference, while fuzzy boundaries can lead to imbalance. Segmentation and integration strategies are highlighted as the major.
- **Conservation of Resources Theory– (Hobfoll, 1989):** This theory postulates that individuals will attempt to preserve and accumulate usable resources such as time, energy, and support. Stress is increased when these resources are threatened or dwindling. Work-life balance initiatives allow for the preservation of individual resources and burnout reduction.
- **Spillover Theory– (Staines, 1980):** Spillover theory explains how what occurs in one arena (work or home) influences the other for better or worse. Cognitive or emotional states tend to carry over from arena to arena. The theory legitimates interventions that reduce negative spillover and enhance enrichment.

- **Role Theory– (Kahn et al., 1964):** This theory suggests individuals possess multiple life roles (e.g., employee, parent), and when role demands conflict, conflict and imbalance occur. Work-life balance is achieved when role expectations are managed without feeling strained. This theory underpins much of the early WLB research in relation to inter-role conflict.

Work-Life Balance (WLB) is a multifaceted construct with various intersections across various organizational theories, giving responses to how employees balance their organizational and personal domains (Khateeb, 2021). The integration of WLB, Reward Management, and Employee Creativity can be explained through various theoretical lenses (Mdhlalose, 2024; Lubis, et al., 2024).

The Work-Family Enrichment Theory proposes that activities in one career can enhance the quality of life in another career by transferring resources such as skills and positive affect. Greenhaus and Powell & Greenhaus (2006) argue that good reward systems and positive work environments will be in a position to facilitate this enrichment with greater creativity when employees transfer different experiences across different domains. This has been vindicated by recent studies that indicate that companies encouraging enrichment through flexible policies and reward systems see enhanced worker innovation.

The Job Demands-Resources (JD-R) Model emphasizes the balance between job demands and resources. Demerouti et al. (2001) argue that adequate resources, including supportive leadership and fair rewards, can buffer the impact of job demands, leading to higher engagement and creativity. Contemporary research supports this, showing that when employees perceive a balance facilitated by organizational support and rewards, their creative output improves.

Boundary Theory investigates how individuals resolve work and personal life boundaries. Ashforth et al. (2000) find that clearly established boundaries, supported by organizational policy and incentives that respect personal time, can reduce role conflict and enhance creativity. Existing studies find that employees with well-established boundaries, augmented by flexible work arrangements and recognition of personal obligations, demonstrate elevated levels of creative performance.

The Conservation of Resources Theory states that individuals aim to obtain, retain, and protect valuable resources. Hobfoll (1989) opines that employees will not experience burnout and will be more likely to be creative when organizations provide resources such as time, support, and rewards. Studies have shown that resource-rich environments, where management is supportive and reward systems are equitable, enhance employee creativity (Aldabbas et al., 2025).

Spillover Theory can be expected that what one feels in a domain can flow into another domain affecting attitudes and actions. Positive spillover between work life and home life by positive work experience and good work-life balance policies can increase well-being and creativity, Staines (1980) concludes. Recent evidence indicates that those firms that develop positive spillover through reward and work-life balance initiatives have greater employee innovation (Mdhlalose, 2024).

Lastly, Role Theory examines how a person carries out multiple diverse roles and role conflict that can emerge. Kahn et al. (1964) note that open role expectations and supportive organizational structures, including fair reward systems, can alleviate role conflict and boost creativity. Recent studies validate that when employees understand their roles and are rewarded appropriately, their creative work improves (Asamani et al., 2025).

In summary, integrating these theories provides a comprehensive framework for understanding how Work-Life Balance, supported by effective Reward Management, can enhance Employee Creativity. Organizations that recognize and address the interplay between these factors are better positioned to foster innovative and engaged workforces.

#### **2.2.4 The Palestinian Insurance Sector (PIS)**

Since the insurance sector offers financial security for society's material and people resources, it is regarded as one of the most significant economic sectors in the world. The stability of any economy is dependent on the integrity of its financial system. Insurance's main goal is to reimburse people and businesses for future losses they might experience. Due to substantial changes in industry and technology, this sector saw tremendous growth and a renaissance in the latter 20 years of the previous century,

particularly in the global financial market. Financial globalization brought to an acceleration in the flow of financial resources, which had a significant impact on the development of the insurance sector (Jawad and Ayyash, 2019).

In countries with no natural resources of wealth, the insurance sector has acted as a strategic means of bringing about economic and social stability. With growing complications of life nowadays and the augmented loss in property along with human lives, the perception of insurance has widened beyond its limited economic and commercial perspective. It is now better appreciated as a comprehensive social tool which ensures the stability of the individual and institutions, serves as a sheltering mechanism for the family, and as a form of insurance against risks that can be damaging to the profitability, viability, and growth of enterprises (Hurani, 2025).

Despite the fragility of the current economic structure, Palestine has not escaped the growth and revival of the insurance sector that has affected other countries. The Palestinian National Authority began to regulate the sector in 1993 and expanded its authority in 1994; both moves encouraged intermediaries and insurers to establish themselves. Before the Palestinian Capital Market Authority was established in 2004, a number of impediments beset the sector, including a lack of laws and regulatory frameworks. This helped in restructuring the sector upon the adoption of Insurance Law No. 20/2005 (Salameh, 2021). In Palestine, the insurance sector plays a vital role in the economy by providing financial protection to individuals and businesses. Current political and economic challenges have brought the need for innovation and creativity to the fore at the level of service delivery (Assad, 2014).

#### **- Regional Partnerships and External Relations in the Palestinian Insurance Sector**

According to the most recent reports from the Palestinian Capital Market Authority (PCMA), all insurance companies that operate in the Palestinian territories are locally registered businesses rather than subsidiaries of international insurance firms. International insurance firms do not currently have any branches abroad that are directly involved in the Palestinian market (Palestinian Capital Market Authority, 2024).

However, some Palestinian insurance companies have established regional and international partnerships that extend their operational presence beyond national borders. For example, Trust International Insurance Group (TIIG), a leading Palestinian insurance company, maintains a diversified presence across several countries, including Jordan, Qatar, Saudi Arabia, Lebanon, Iraq, Yemen, Bahrain, Syria, Algeria, Tunisia, Morocco, and Malaysia (Trust International Insurance Group, 2024).

Since TIIG is still governed and registered as a Palestinian entity, these alliances highlight more of a regional integration approach instead of international investment. These alliances do not indicate external control or management suggests ownership structures; within these arrangements, control is retained, improving operational proficiency, risk mitigation, and service provision scope. For this Palestinian framework to remain robust and competitive in the insurance market, it focuses on internal capacity building and domestic innovation, particularly for creativity, incentives, and work-life balance, which is needed in a more interconnected regional system.

#### **- Challenges Facing the Palestinian Insurance Sector**

Although the insurance sector in Palestine has recorded growth, it continues to encounter a number of major challenges that hamper its development and restrict its wider economic contribution. The following are the most pressing obstacles impacting the sector's performance:

- 1- Weak insurance awareness among institutions and individuals, who often perceive insurance as a luxury rather than a necessity (Assad, 2014).
- 2- Economic restrictions—low incomes, excessive unemployment, and dominance by small and medium-sized firms—limit the ability of the public to gain insurance, especially during periods of economic hardship ((MAS), The Palestinian Economic Policy Research Institute, 2016).
- 3- Shortage of qualified professionals, particularly in managing religiously compliant insurance, due to limited local expertise (Hurani, 2025).
- 4- Difference in service quality and price, as price war can reduce profitability if not matched with improved services (MAS, 2016).

5- Outdated laws and regulations that no longer align with the sector's current development needs (Hurani, 2025).

Despite these challenges, the Palestinian insurance sector has managed to demonstrate measurable growth and economic impact in recent years.

The significance of the Palestinian insurance sector is the steady growth of the industry as well as growing contribution to the national economy. The sector during 2019 recorded a growth rate of 8.3%, while the insurance portfolio totaled \$302.5 million, contributing to overall investment activity and stimulating GDP. The ratio of insurance penetration during the closure of that year stood at 1.9%, while insurance density stood at \$60 (Palestinian Capital Market Authority, 2019).

In addition to its macroeconomic impact, the sector has also contributed to job creation. The number of employees increased from 1,178 in 2016, working across 122 branches, to 1,500 by the first quarter of 2020, reflecting both structural development and expanded regulatory activity under the Palestinian Capital Market Authority (PCMA, 2020).

Building upon this foundation of growth and expansion, the data from 2024 shows steady growth and operational expansion across the Palestinian insurance sector. The Number of companies remained stable at 12 throughout the year, while the Number of branches increased from 182 in Q1 to 189 by the end of Q4. Similarly, the Number of employees rose from 1,669 in Q1 to 1,774 in Q4, reflecting both geographical expansion and increased employment opportunities. Among insurance products, Motor insurance premiums dominated the sector, reaching \$266,692,758 by the end of the year. Health insurance premiums followed, totaling \$38,573,866, while Life insurance premiums amounted to \$9,824,793. Other categories such as Fire insurance premiums, engineering insurance premiums, and civil liability insurance premiums also showed consistent upward trends. In total, Total insurance premiums collected in 2024 reached \$383,555,711, underscoring the sector's growing contribution to the national economy and its resilience in the face of ongoing regional challenges (PCMA, 2024).

Table (2. 1): Aggregated operational and financial data from 1/1/2024 until 31/12/2024.

Aggregated operational and financial data from 1/1/2024 until-					
Currency : (US Dollar)					
	Description	31/12/2024	30/09/2024	30/06/2024	31/03/2024
General information	Number of companies	12	12	12	12
	Number of branches	189	186	185	182
	Number of employees	1,774	1,768	1,759	1,669
	Number of agents and producers	246	245	245	246
	Number of Insurance intermediaries	23	22	22	22
	Number of reinsurance intermediaries	3	2	2	2
Insurance sector results	Motor insurance premiums	266,692,758	201,492,591	129,193,561	65,492,008
	Workers insurance premiums	27,736,952	22,337,382	16,057,673	9,607,924
	Health insurance premiums	38,573,866	30,240,351	20,224,727	14,468,366
	Civil liability insurance premiums	5,474,850	4,253,809	3,030,846	1,816,363
	Non-life insurance premiums	7,484,801	6,356,237	4,560,722	2,720,841
	Fire insurance premiums	17,948,637	12,535,383	9,908,200	5,559,918
	Marine insurance premiums	2,018,502	1,628,056	1,203,198	762,875
	Engineering insurance premiums	7,530,165	5,810,426	4,308,761	2,730,329
	Life insurance premiums	9,824,793	7,501,756	4,858,126	2,696,704
	Agriculture insurance premiums	270,388	246,336	26,381	10,754
Total insurance premiums	383,555,711	292,402,327	193,372,196	105,866,082	

Source: (Palestinian Capital Market Authority, 2024)

In general, while the Palestinian insurance sector continues to remain in structural, economic, and regulatory challenges, it has nonetheless showed strength, continued growth, and a growing role in national development. Its employment growth, network of branches, and premium revenues reflect its strategic importance in the Palestinian economy. As the business continues to develop, enhancing institutions for regulation, heightening the public's consciousness, and nurturing human resources will be required in order to keep up such speed. Moreover, the increasing demand for innovation in service delivery highlights the critical role of internal organizational factors—particularly rewards management and work-life balance—as key drivers of employee creativity and overall institutional performance within the insurance sector.

### 2.2.5 Reward Management (Intrinsic - Non-Financial Rewards & Extrinsic - Financial Rewards) and Employee Creativity

Reward Management, intrinsic (non-monetary) and extrinsic (financial), is an essential and complex determinant of employees' creative behavior in organizational

settings. Theoretical foundation of this connection is solidly grounded on Self-Determination Theory (Deci & Ryan, 1985), which posits that as organizations satisfy employees' psychological needs for autonomy, competence, and relatedness, intrinsic motivation is enhanced, thereby promoting creativity. Intrinsic motivators such as recognition, autonomy, and career freedom satisfy these psychological needs directly and act as motivational forces for creative expression (Deci & Ryan, 1985). Extrinsic motivators in the guise of material rewards, on the other hand, will have a double-edged effect reinforcing creativity if interpreted as validation of ability, but undermining it if perceived as controlling or transactional in nature (Urban et al., 2024).

Empirical evidence substantiates this nuanced interplay between reward systems and creativity. Figueiredo et al., (2025) systematic review of 61 peer-reviewed papers concluded that highly designed and specific reward systems play a key role in fueling innovation and knowledge sharing. This finding reaffirms the importance of aligning reward mechanisms with broader organizational objectives in order to maximize creative performance. Similarly, a field experiment conducted by Zhou (2021) reported that giving workers autonomy to choose their rewards significantly increases their creative work, in line with autonomy-supportive conditions emphasized in SDT.

From a behavioral economics perspective, the Expectancy Theory (Heneman & Schwab, 1972) offers a complementary perspective in arguing that if workers anticipate a direct and valuable relationship between their innovative efforts and subsequent rewards, then they will be more inclined to be motivated to innovate. This proposition is empirically supported by Aldabbas et al. (2023), as they found extrinsic rewards positively influence employee creativity when mediated through perceived organizational support and involvement. And providing further strength for this contention, the Componential Theory of Creativity (Amabile, 1983) emphasizes the dominance of intrinsic task motivation stimulated through meaningful, autonomy-supporting reward structures as a prerequisite for creative performance.

Current research further builds this understanding by investigating contextual and perceptual moderators. For instance, Muzafary and Mdletshe (2021) demonstrated that intrinsic rewards such as job autonomy and development opportunities forecast creativity, especially for employees with proactive personality. Likewise, Yesuf et al. (2024) illustrated that intrinsic and extrinsic rewards have indirect impacts on creativity

by fostering an organizational culture in which innovation is appreciated, suggesting that reward systems must go beyond transactional-based designs to more general cultural and strategic support.

Equity Theory (Adams, 1963) provides another explanatory variable, recognizing the degree to which people perceive rewards allocated in equitable or just ways in provoking response. Oyefusi (2022) found, in one of his studies, that workers who have the belief that reward systems are fair are significantly more inclined to participate in creative contributions, with higher rates of engagement and organization trust. Similarly, Nurhaeda et al. (2024) reaffirmed that intrinsic motivation remained the best predictor of creative output, but extrinsic reward can be added to it if directed towards personal values and perceived as helping and not controlling.

The integrated nature of reward systems is also supported by Mdhlalose (2024), who tested experimentally that companies which have both instituted monetary rewards for performance and schemes for recognition yield more innovation and creative problem-solving. This observation aligns with the Two-Factor Theory (Herzberg, 1959), which distinguishes between hygiene factors such as fair pay and motivators such as success and recognition both being pivotal in the preservation of long-term creativity.

In summary, a balanced reward structure nested in motivation and creativity theory and fueled by the most recent empirical research becomes a crucial strategic tool in encouraging employee creativity. Financial rewards offer fundamental security and express value, while non-financial incentives activate inner drivers essential to creativity. If distributed fairly and contextually aligned with employees' psychological and vocational needs, these reward systems can significantly enhance creative engagement in a vast array of organizational contexts (Albrecht et al., 2015; Birhanu, 2022; Figueiredo et al., 2025).

## **2.2.6 Reward Management (Intrinsic- Non-Financial Rewards & Extrinsic-Financial Rewards) and Work-Life Balance (WLB)**

Reward system design, both intrinsic (non-monetary) and extrinsic (monetary) rewards, is central to deciding the way in which employees perceive and evaluate their work-life balance (WLB). By fulfilling psychological satisfaction and physical needs,

rewards are strategic tools through which companies can influence the ability of employees to reconcile professional and personal areas (Enrika, 2020; Dangaiso et al., 2024). The Job Demands-Resources (JD-R) Model (Demerouti et al., 2001) gives a solid theoretical foundation, rewards being the most important job resources that shield work demands from working as buffers to allow employees to improve their ability to maintain a healthy WLB. Intrinsic rewards, like appreciation, autonomy, and growth opportunities, contribute to psychological resources that facilitate employees' effective management of work-life pressures. Concurrently, extrinsic rewards, like adequate compensation and fringe benefits, provide economic security that counteracts outside stressors, thus indirectly leading to work-life harmony (Sarkar et al., 2021).

To this perspective, Self-Determination Theory (SDT) (Deci & Ryan, 1985) posits that intrinsic rewards satisfy employees' fundamental psychological needs autonomy, competence, and relatedness thereby fostering intrinsic motivation, which is expressed in greater congruence between work and life spheres. Empirical research by Andrade et al. (2024) verifies such a link, demonstrating that intrinsic rewards within adaptive work arrangements reduce WLB satisfaction significantly, particularly for young generations concerned with bridging work and life.

Besides, Equity Theory (Adams, 1963) provides a critical analysis of how employees' WLB is influenced by perceived fairness in reward allocation. Syal et al. (2024) found that schemes of just reward enhance employees' work-life balance satisfaction through the reduction of role conflict and emotional exhaustion. Similarly, Dangaiso et al. (2024) observed that a combination of fair compensation and non-monetary benefits such as telecommuting enhances employees' ability to perform professional and personal duties at the same time.

From a motivational expectancy perspective, Vroom's Expectancy Theory (1964) clarifies that employees will be more likely to balance work-life demands if they perceive a clear, attainable relationship between effort and desirable rewards. Aldabbas et al. (2023) further lent credence to this by illustrating how matching rewards to employees' personal values enhances employees' commitment to WLB initiatives, which is mediated by perceived organizational support.

Including a socio-psychological view, Spillover Theory (Edwards & Rothbard, 2000) identifies how good work experiences, enabled by balanced reward systems, spill

over into employees' private lives, improving their general well-being. Andrade et al. (2024) supported this, as they found that intrinsic and extrinsic rewards promote organizational culture highlighting employees' general well-being, thereby confirming WLB outcomes.

In conclusion, research has shown that a strategically balanced reward management strategy incorporating intrinsic rewards and extrinsic rewards is key in enhancing sustainable work-life balance. Organizations that create reward systems according to employees' psychological demands and life priorities can be able to effectively cut back work-life conflict, decrease burnout, and enhance employee retention (Syal, 2023). This strategic fit is also stressed by Sarkar et al. (2021), who emphasized that reward systems dealing with employees' need fulfillment are significant in achieving not only greater retention but also integration of work and life.

### **2.2.7 Employee Creativity and Work-Life Balance (WLB)**

Creativity among employees serves as a support column for organizational innovation and competitive advantage. Empirical research in the past indicates that the achievement of good Work-Life Balance (WLB) is essential to develop the creative potential of employees because it drives psychological well-being and cognitive elasticity for creative thinking (Eng et al., 2025). The Conservation of Resources (COR) theory believes that individuals work in order to acquire and maintain resources, and a healthy work-life situation is a key resource that acts as a stress buffer and conserves energy for creative pursuits (Hobfoll, 1989). The Job Demands-Resources (JD-R) model also believes that WLB is a job resource that acts as an effect buffer of job demands, hence enhancing employee engagement and creative performance (Demerouti et al., 2001).

Empirical evidence supports these theoretical claims. For example, Lubis et al. (2024) concluded that both WLB and creativity have positive effects on employees' performance, with problem-solving as a mediating variable. Yet another study by Chinyamurindi and Mashavira (2024) emphasized that employee creativity coupled with good work conditions produces increased job satisfaction and decreased turnover intentions. Further, a study conducted by Zhuang and Liu (2024) revealed that digital

leadership has a positive relationship with the employees' creativity, indicating that favorable working environments play a key role in sustaining work-life balance.

Self-Determination Theory (SDT) goes further to explain the interaction by arguing that meeting basic psychological needs for autonomy, competence, and relatedness through WLB programs enhances intrinsic motivation and creativity (Deci & Ryan, 1985). As part of this, studies by Stollberger et al. (2022) proved that compassionate leadership and family-supportive behaviors significantly enhance employees' creative performance.

Moreover, the Social Exchange Theory argues that organizations, having invested in the health of employees through WLB policies, are repaid with good attitudes and working practices by the employees, including increased creativity (Blau, 1964). This is confirmed by research done by a paper in the Journal of Applied Psychology, which demonstrated that family-supportive supervisor behavior leads to better employee creativity through enhanced work-life balance (Stollberger et al., 2022).

In conclusion, inclusion of WLB strategies in organizational setups not only promotes employees' personal well-being but also stimulates creativity. Organizations that wish to establish a culture of innovation should therefore give utmost priority to policies that promote a healthy work-life balance because this not only increases employee satisfaction but also stimulates creative performance, thus leading to organizational success (Eng et al., 2025; Lubis et al., 2024; Stollberger et al., 2022).

### **2.2.8 Work-Life Balance (WLB) as a Mediator Between Reward Management and Employee Creativity**

The intricate relationships between Reward Management (RM), Work-Life Balance (WLB), and Employee Creativity (EC) have drawn significant academic attention, particularly in knowledge-intensive sectors. Theoretically, the triadic relationship could be elucidated by integrating the Self-Determination Theory (Deci & Ryan, 2000), which emphasizes the salience of intrinsic motivation facilitated by rewards, and the Work-Family Enrichment Theory (Greenhaus & Powell, 2006), which stresses the positive spillover between work and family life domains. Also, Componential Theory of Creativity (Amabile, 1996) maintains that organizational

reward and personal well-being are two contextual variables which significantly influence creative behavior. Both these models maintain that effective reward systems promote WLB, which in turn enhances creative performance.

Empirical research currently underpins this theoretical relationship. Makhijaa & Akbarb (2019), for instance, depicted the way reward structures that are adaptable significantly boost the employees' perception of work-life balance, leading to increasing creative performance in service sectors. Similarly, Sitompul et al. (2024) established that intrinsic rewards positively affect WLB, which moderates their impact on innovative work behavior. Malik's (2023) study found that organizations that invest in work-life programs realize returns on reward programs through multiplied staff creativity. Furthermore, Mdhlalose (2024) examined the utilization of non-monetary rewards (e.g., praise, autonomy) in minimizing work-life conflicts, thus the provision of an enabling environment for creative problem-solving. Girma & Habtamu (2019) observed that in pressured industries, extrinsic rewards alone are insufficient to motivate creativity unless they are complemented with favorable WLB policies. In addition, Ng et al. (2022) identified the mediating influence of WLB between reward fairness and creative engagement, showing that perceived imbalance weakens the motivational impact of rewards on creativity.

Adding to this body of evidence, Mdhlalose (2024) undertook a study that examined the combined influence of work climate and employee rewards on employee innovation and creativity. The findings revealed that all types of rewards intrinsic, non-financial extrinsic, and financial extrinsic positively contribute to employees' creative and innovative skills to a great extent. Most importantly, the study brought to light that a work climate conducive to creativity and open to new ideas greatly enhances this influence. This is in line with the reasoning that providing broad and diverse rewards, coupled with a positive working environment, will encourage workers to generate new ideas and innovative solutions. Implied, such an environment affirms the central position of WLB as a mediating factor, where the influence of reward systems is actualized into innovative performance.

Analyzing these findings suggests a subtle process: reward management practices, in particular those that enhance intrinsic motivators and work flexibility practices, indirectly facilitate employee creativity through the mitigation of work-life

conflicts. WLB serves as a psychological resource that revitalizes cognitive and emotional resources necessary for creative activities. This makes a lot of sense with the Conservation of Resources Theory (Hobfoll, 1989) which asserts that human beings strive to acquire and maintain resources (well-being, time, energy) and thus WLB should be a key mediator of sustained creative performance.

In the Palestinian insurance sector, where employees are prone to experience excessive workloads and minimal organizational support, the application of WLB as a strategic mediator is essential. Decoupled reward systems that fail to consider work-life considerations will not receive desired creative behaviors (Mdhlalose, 2024). The inclusion of comprehensive WLB initiatives in reward management systems is thus imperative in the realization of an innovative workforce capable of resolving sector-specific challenges.

In conclusion, WLB's mediating role between RM and EC is not speculative but evidenced in different contexts. Organizations intending to tap the innovation of their employees must adopt a balanced reward philosophy beyond pecuniary rewards and positively promote work-life harmony. This complete intervention ensures reward strategies are directed into effective creative contributions, particularly in service organizations with aggregative service demands.

### **2.3 Theoretical Rationale for Hypotheses Development**

The hypotheses of this study can be traced to the mixing of numerous different theoretical concepts. Each of the theories emphasizes the mechanisms of the underlined topics of reward management, work-life balance, and employee creativity that are different but related. As an example, Self-Determination Theory (Deci & Ryan, 1985) initiates an argument for the intrinsic and extrinsic rewards' effect on creativity through the satisfied psychological needs. Employees who receive the team's autonomy and meaningful rewards in a personalized way are more likely to get motivated and then display more creativity.

Equity Theory (Adams 1963) sheds light on how people's views of fair reward distribution have an impact on their satisfaction and commitment. When people see equity, it builds trust, boosts engagement, and promotes emotional balance. These

factors set the stage for creative output. Expectancy Theory (Vroom 1964) also plays a part. It suggests that workers will put in effort if they think their work will lead to rewards they want. This idea also strengthens the link to creativity.

When it comes to balancing work and life, ideas like the Job Demands-Resources (JD-R) model (Demerouti et al. 2001) and the Conservation of Resources Theory (Hobfoll 1989) suggest that job perks such as appreciation flexible hours, and company backing help shield against stress and boost creativity. These concepts together back up the idea that when staff members enjoy both supportive reward settings and positive work-life dynamics, their creative abilities reach their peak.

This means the ideas put forward in Chapter One aren't random but have solid backing from well-known theories. What we already know doesn't just give us examples to follow, it also explains why we'd expect to see important links between how companies handle rewards, work-life balance, and how creative their employees are. This thinking connects what we've learned from past research to how we'll study it setting us up to test these ideas in Palestinian insurance companies.

## 2.4 Empirical Literature Review

### 2.4.1 Reward Management

Table (2. 2): Previous Studies on Reward Management- This Table Conducted by the Researcher

Study Title and Author/s	Study Aim	Study Design	Findings
Reward Management and Employee Performance: A Review of Job Satisfaction in Somalia (Bolatito & Mohamoud, 2024)	This study attempted to investigate the relationship between reward management, job satisfaction, and employee performance in the context of Somalia.	Qualitative and Quantitative methods	In settings characterized by scarce resources, the strategic reward management emerges as a key determinant of employees' levels of satisfaction and driving their overall performance.

<p>Reward Management in Romanian Companies: Some Issues and Challenges (Marinaş et al.,2023)</p>	<p>The objective is to examine the reward management policies and practices implemented by Romanian companies, with a particular focus on the challenges encountered in their application and effectiveness.</p>	<p>Quantitative Approach</p>	<p>Effective reward management has a profound impact on the quality and engagement of the workforce, thereby contributing significantly to the enhancement of overall organizational performance.</p>
<p>The Relationship between Reward Management Practices and Employees' Behavior (Timothy Damilola Ayi, 2023)</p>	<p>This study aims to present in-depth knowledge of how different reward schemes influence the performance and motivation of employees, and thereby lead to the general success and viability of the firm.</p>	<p>Mixed-Methods Approach, combining quantitative data analysis and qualitative case studies</p>	<p>The study concludes that improved employee performance and increased organizational competitiveness can be achieved through the implementation of a well-designed and properly implemented reward management system.</p>
<p>Exploring the Reward Management System within the Gaming Industry ( Gatt, 2023)</p>	<p>This study seeks to investigate the role of reward management systems in attracting and retaining talent within the gaming industry.</p>	<p>Qualitative Approach</p>	<p>Reward management systems are a principal mechanism for the recruitment and retention of high-caliber talent in the highly competitive and dynamic gaming industry.</p>
<p>Reward Management and Employee Performance in Keystone Foods LLC (Kerr, 2022)</p>	<p>This study aims to analyze the impact of reward management practices on employee performance within Keystone Foods LLC, USA.</p>	<p>Qualitative Approach</p>	<p>The findings were in affirmation that reward management indeed had a positive relationship with the performance of employees. Reward management in essence is all about addressing employee expectations in general, what one should receive from their employer as reward for effort.</p>

## 2.4.2 Employee Creativity

Table (2. 3): Previous Studies on Employee Creativity- This Table Conducted by the Researcher

Study Title and Author/s	Study Aim	Study Design	Findings
Employee Creativity and Innovation: The Influence of Leadership Style, Public Service Motivation and Mediating Role of Psychological Empowerment (Ganeva & Pusparini, 2024)	This study aims to examine the impact of leadership style and public service motivation on employee creativity, considering psychological empowerment as a mediating factor.	Quantitative Approach	Leadership style enhances employee creativity by promoting psychological empowerment, which functions as a central mediating factor in this relationship.
The Relationship Between Employee Motivation, Creativity, and Performance (Nurhaeda et al., 2024)	To examine the linkage between employee motivation, creativity, and job performance.	Qualitative Approach	Intrinsic motivation functions as a fundamental catalyst for employee creativity, whereas extrinsic rewards can amplify this influence when they correspond with the individual's core values and internal goals.
Determinants of employees' creativity: modeling the mediating role of organizational motivation to innovate (Yesuf et al., 2024)	This study aims to empirically investigate how the work environment and the spillover of family-to-work resources affect employee creativity in agricultural research institutes.	Quantitative Approach	A supportive work environment, combined with the positive spillover of resources from work to family domains, exerts a significant and beneficial impact on employee creativity.
The Mediating Role of Employee Creativity Between Knowledge Sharing and Innovative Performance (Ullah et al., 2022)	This study aims to investigate the impact of knowledge sharing (KS) on innovative performance (IP) within the manufacturing sector of Gujrat, Pakistan, while considering the mediating role of	Quantitative Approach	Employee creativity serves as a crucial mediating factor within the relationship between knowledge sharing and innovative performance, enabling shared knowledge to positively impact innovation outcomes.

	employee creativity (EC).		
The Impact of Leadership on Boosting Employee Creativity: The Role of Knowledge Sharing as a Mediator (Khassawneh et al., 2022)	This study seeks to investigate the mediating role of knowledge sharing in the relationship between leadership trust and employee creativity within the service sector.	Quantitative Approach	Trust in leadership promotes increased knowledge sharing among employees, which in turn boosts their creative performance.

### 2.4.3 Work-Life Balance

Table (2. 4): Previous Studies on Work-Life Balance - This Table Conducted by the Researcher

Study Title and Author/s	Study Aim	Study Design	Findings
Work-Life Balance and Professional Development: Their Impact on Employee Performance (Badaruddin et al., 2024)	To examine the connection between work-life balance, professional development, and employee performance.	Qualitative Approach	The integration of work-life balance and professional development contributes to improved employee performance and greater job satisfaction.
The Work-Life Balance and Employee Engagement Effect on Employee Performance at Type A And Type B Branch Office of PT Asabri (Persero) Through Job Satisfaction (Putri et al., 2024)	To evaluate the impact of work-life balance and employee engagement on performance, with job satisfaction serving as a mediating factor.	Quantitative Approach	Work-life balance has a positive impact on job satisfaction, which subsequently leads to improved employee performance.
Impact of Work-Life Balance on Employee Productivity and Well-Being (Marecki, 2023)	To investigate the influence of work-life balance on employee productivity and overall well-being.	Quantitative Approach	An effective work-life balance enhances both employee health and productivity.

Work-Life Balance (WLB) and Job Satisfaction of Employees at PT. X Yogyakarta (Mandagi & Wijono, 2023)	To examine the relationship between work-life balance and job satisfaction within PT. X Yogyakarta.	Quantitative Approach	There is a positive correlation between work-life balance and employee job satisfaction.
Work-Life Balance Constructs and Job Satisfaction: Evidence from the Palestinian Investment Sector (Khoury, 2021)	To investigate how work-life balance relates to employee job satisfaction within Palestinian investment firms.	Quantitative Approach	A strong positive relationship was identified between work-life balance and employee job satisfaction.

#### 2.4.4 Critical Synthesis of Literature

Previous empirical studies have actually set the stage for valuable insights into the triadic relationships of reward management, employee creativity, and work-life balance. However, they left open the gap of critical dialogue between conflicting findings. For example, Figueiredo et al. (2025) implied that customized reward systems are effective in eliciting innovation whereas Nurhaeda et al. (2024) posited intrinsic motivation as the most powerful driver of creativity and warned against too much external incentives. Such contrasting findings point to a contextual sensitivity regarding how rewards influence creativity; intrinsic motivators seem to function better in value-driven environments while more structured incentives appear to be working better in task-oriented settings.

Furthermore, recent research carried out by Lubis et al. (2024) and Syal et al. (2024) has verified that a direct and strong relationship exists between WLB and the outcomes of the employee, whilst Mdhlalose (2024) emphasizes the necessity of an integrated reward-WLB model to have a lasting effect. In light of these differences, a detailed, balanced view is required in which the connections between organizational designs, employee expectations, and sector-specific dynamics are acknowledged. Especially, the Palestinian insurance sector, influenced by its regulatory and socio-political situation, has to install the appropriate conditions for the application of these

concepts. The researcher is of the opinion that such a complete understanding of the context is necessary in creating the right adjustment.

Hence, to make its cause known, the literature review is not confined to the description of studies, but instead is a proactive participant in the changes that are caused and that occur among the researchers. By comparing the results and methods of assessment (for example, cross-sectional and longitudinal designs, geographic focus, sector-specific variables), this work can be seen as making a move to bridge the distance between what is known and what is not that still remains the core of the discipline. The Palestinian insurance sector, which is seldom represented in international studies, can be a great source to make sense of and use in the process of synthesizing and applying the different visions that are proposed so that both theory and practice are advanced at the same time.

## **2.5 Study Gap**

Following an exhaustive examination of the literature available, it has been observed that Reward Management, Work-Life Balance, and Employee Creativity have each been subjected to extensive research within their respective domains. Previous studies have consistently indicated the beneficial effect of reward practices on employee performance, motivation, and engagement (Bolatito & Mohamoud, 2024), while Work-Life Balance has been proven to be an important factor in enhancing employee well-being and retention (Marecki, 2023; Khoury, 2021). Similarly, Employee Creativity has been extensively studied in relation to leadership, knowledge sharing, and intrinsic motivation (Ullah et al., 2022).

However, there is still a significant gap in their cohesion into a single overall model. To the best knowledge of the researcher, there is no existing published research that has investigated the relationship between Reward Management, Work-Life Balance, and Employee Creativity as a single trinity. Existing literature still points to the concepts of dyadic relations between performance and rewards, or between satisfaction and work-life balance without effectively explaining the intervening processes by which these things interact to enhance employee creativity.

Above all, this discrepancy is also emphasized in the Palestinian insurance sector, which is under-represented in empirical research. Given the unique organizational dynamics, socio-economic concerns, and pressures inherent in the sector in which insurance organizations in Palestine are operating, knowing how reward management practices can influence workers' creativity through work-life balance is well-timed and essential. To our best knowledge, no empirical research has ever investigated this triadic relationship in this sector, and thus, this study is a pioneering one in the discipline.

Also, Work-Life Balance having been previously identified as a mediating outcome between reward systems in standalone studies is, in terms of its function in bridging Reward Management and Employee Creativity through this function as a mediating variable, also still to some extent an unknown variable. Closing this theoretical gap will be the primary contribution of the research for the empirical study which the present paper tries.

Therefore, this research not only addresses a particular theoretical void but also provides an immediate contextual response, in offering empirical evidence from a developing economy's services sector. This singular focus of attention in the Palestinian insurance industry, combined with its comprehensive analytic approach, positions the research as a foundation piece of scholarship and managerial action.

## 2.6 Conceptual Framework

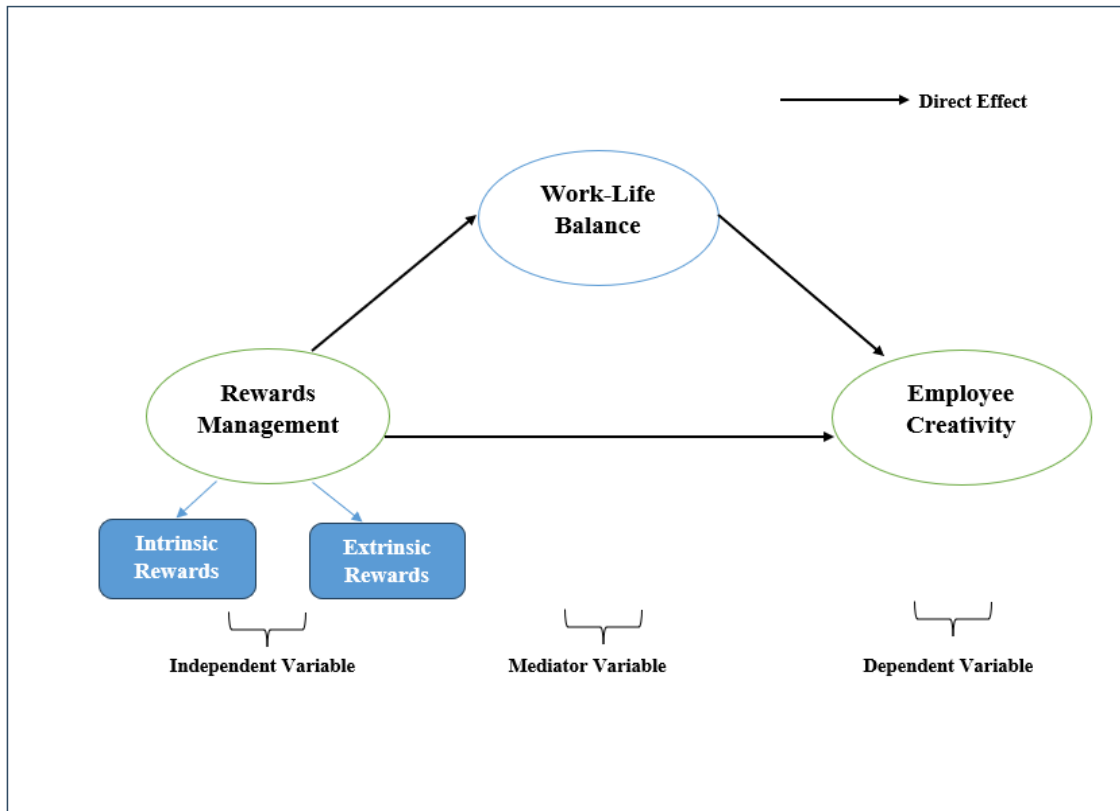


Table (2. 5): Previous Studies Supporting the Conceptual Framework

Independent Variable	Mediating Variable	Dependent Variable
<b>Rewards Management: Intrinsic Rewards &amp; Extrinsic Rewards</b>	<b>Work-Life Balance</b>	<b>Employee Creativity</b>
- Bustamam, Teng, & Abdullah, 2014.  - Ibitomi, Ojatuwase, Emmanuella, & Eke, 2022.	- Al-Fazari & Belwal, 2019.  - Al-Saleem & Al-Nsour, 2023.	- Al-Najjar, Qawasmeh, & Sharari, 2023.  - Moghimi & Subramaniam, (2013).  - Ximenes, Supartha, Dewi, & Sintaasih, 2019.

Source: Developed by the researcher based on previous literature and the exploratory field study

## 2.7 Chapter Summary and Research Justification

This chapter has presented a review of literature on the theoretical basis and prior research on reward management, employee creativity, and work and life balance. The talk combined several established theories including self-determination theory, equity theory, expectancy theory, and the job demands-resources model to develop a strong theoretical model explaining the relationships between study variables.

By placing the empirical literature in a systematic way and synthesizing different viewpoints of the literature, this chapter provided a valuable examination of the constructs potentially involved in a more inclusive or integrative model. The tension and contextual nuances of these constructs are worth noting. I remained acutely aware of the absence of integrative models that include how work-life balance potentially mediates reward management and creativity in the workplace.

Furthermore, a research gap was identified in terms of methodological limitations and the scarcity of studies focusing on developing regions, especially within the Palestinian insurance sector. These observations underscore the need for a more contextually grounded, theory-driven investigation that aligns with sector-specific dynamics and employee realities.

This chapter establishes the methodological approach to the research that is delivered in the next chapter by referencing existing literature and describing the theoretical rationale for the study's hypotheses. The study aims to empirically test the proposed relationships utilizing a model modified for the Palestinian's unique economic, institutional and cultural context. The research will hopefully provide contributions to theory and organizational development.

## **Chapter Three: Methodology**

### **3.1 Introduction**

The research approach taken to examine the effect of reward management on employee creativity, with work-life balance as a mediating variable, in the Palestinian insurance sector, is explained in this chapter. The study follows a quantitative approach to research, aimed at allowing a structured data collection and statistical analysis of data, and hence permit an exhaustive testing of the developed research hypotheses and the interrelationship between the major variables. In addition, the chapter discusses major ethical considerations held in conducting research, specifically those involving informed consent, confidentiality of information, and the truthfulness of the responses of participants.

### **3.2 Research Design**

This study adopts a quantitative and cross-sectional research design to examine the impact of reward management on employee creativity, with work-life balance acting as a mediating variable within the context of the Palestinian insurance sector. The quantitative approach is appropriate for this study, as it enables the systematic collection and analysis of numerical data, which supports the testing of proposed hypotheses and the generation of strong statistical evidence (Achieng'odembo, 2013). This method also enables the identification of predictive relationships among the study variables, offering significant insights into the mediating role of work-life balance in enhancing employee creativity. To analyze these relationships, regression analysis will be used as one of the key statistical methods to determine the extent to which the independent variable influences the dependent variable.

A cross-sectional design is chosen for its practicality and efficiency. This design involves collecting data from a specific sample at a single point in time, which enables the examination of the relationship between variables without the need for extended data collection (Setia, 2016). The cross-sectional approach is particularly relevant in the context of the Palestinian insurance sector, as it allows for rapid collection of data from

a large number of employees and makes the study possible and cost-effective in view of the available resources.

Additionally, this design is widely used to describe employee perceptions in organizational research and to analyze the impact of key variables within a defined time frame. The cross-sectional research approach is highly suitable for studying the impact of work-life balance on employee creativity in the insurance sector—especially in a dynamic and resource-intensive environment where new practices and employee participation are essential for maintaining competitiveness.

### **3.3 Study Population and Settings**

The study focuses on employees working in insurance companies in the West Bank. These companies differ in size and are geographically distributed in various governorates. The insurance sector is considered one of the important components of the Palestinian economy, which offers several services, including health insurance, vehicle insurance, property insurance, and life insurance. This reward creates a suitable setting to examine the relationship between management, work-life balance, and employee creativity.

According to the annual reports for the year 2024, specifically up to December 31, 2024, the total number of employees working in the insurance sector in Palestine was reported to be 870, including administrative, marketing, and technical staff. These employees represent the target population for the study, and the companies selected include Al-Mashreq Insurance Company, Al-Baraka Insurance Company, Trust Insurance Company, Al-Takaful Palestinian Insurance Company, and Tamkeen Insurance Company. The target population includes individuals from various functional levels and job roles within the insurance companies operating in the West Bank.

To ensure statistical reliability and proper representation, the minimum required size was calculated using the Raosoft® sample size calculator, which was based on the 5% margin of error, 95% confidence level and 50% of the required response distribution (RAOSOFT, INC., 2004). The formula used for calculation is as follows:

$$x = Z(c/100)^2 r(100-r)$$

$$n = N x / [(N-1) E^2 + x]$$

$$E = \sqrt{[(N-n) x / n(N-1)]}$$

Based on these parameters, the recommended minimum sample size for the study was calculated to be 270 participants, ensuring that the findings are statistically valid and accurately reflect the target population while maintaining a high level of confidence and reliability.

### **3.4 Study Sample and Demographic Characteristics:**

This section provides an overview of the study sample and presents the demographic characteristics of the survey respondents.

#### **3.4.1 Sample Size and Distribution:**

Out of 870 employees working in the five selected insurance companies in the West Bank, a total of 270 valid responses were obtained and subsequently analyzed. The participants included administrative, technical, and marketing staff across various functional levels within the companies.

#### **3.4.2 Demographic Profile Tables:**

The following statistical tables will be presented as follows:

- Distribution of participants by gender.
- Distribution of participants by age groups.
- Distribution of participants by governorate.
- Distribution of participants by educational qualification.
- Distribution of participants by marital status.
- Distribution of participants by job title.
- Distribution of participants by functional departments/divisions.
- Distribution of participants by years of experience in their current positions.

- **Demographic Characteristics of the Study Sample**

This section aims to present and analyze the demographic characteristics of the study sample in order to provide a deeper understanding of the participants' attributes and the context of the collected data. The sample was distributed based on several demographic variables such as gender, age, educational qualification, job title, years of experience, and the governorate in which the participants work. This analysis helps to interpret the study results more accurately and link them to the participants' characteristics. Table (3-1) illustrates the demographic characteristics of the study participants.

Table (3. 1): Distribution of the Study Sample According to Demographic Variables

<b>Variable</b>	<b>Category</b>	<b>Frequency</b>	<b>Percentage (%)</b>
<b>Gender</b>	Male	170	63.0
	Female	100	37.0
	Total	270	100.0
<b>Age</b>	20–29	80	29.6
	30–39	102	37.8
	40–49	62	23
	50 and above	26	9.6
	Total	270	100.0
<b>Governorate</b>	Jerusalem	7	2.6
	Ramallah and Al-Bireh	153	56.7
	Bethlehem	12	4.4
	Hebron	13	4.8
	Nablus	17	6.3
	Tulkarm	17	6.3
	Qalqilya	7	2.6
	Jenin	16	5.9
	Tubas	9	3.3
	Salfit	10	3.7
	Jericho and Jordan Valley	9	3.3
	Total	270	100.0
<b>Educational Qualification</b>	Diploma or below	28	10.4
	Bachelor's Degree	177	65.6
	Master's Degree	49	18.1
	Doctorate	16	5.9
	Total	270	100.0
<b>Marital Status</b>	Single	73	27
	Married	153	56.7

	Widowed	13	4.8
	Divorced	31	11.5
	Total	270	100.0
<b>Job Title</b>	Manager	34	12.6
	Deputy Manager	12	4.4
	Head of Section	52	19.3
	Employee	139	51.5
	Other	33	12.2
	Total	270	100.0
	<b>Department</b>	HR Department	18
Finance Department		20	7.4
IT Department		9	3.3
Public Relations Department		21	7.8
Legal Affairs Department		10	3.7
Compensation Department		54	20
Health Insurance Department		31	11.5
Marketing Department		22	8.1
General Insurance Department		35	13
Other		50	18.5
Total		270	100.0
<b>Years of Service</b>	Less than 5 years	89	33.0
	5 to less than 10 years	134	49.6
	10 years or more	47	17.4
	Total	270	100.0

Source: Prepared by the researcher based on questionnaire data

It is evident from **Table (3-1)** that the study sample includes a diverse set of demographic characteristics that contribute to a comprehensive understanding of the participants. Based on the results extracted by the statistical analyst using SPSS software, the researcher analyzed and interpreted the data in light of the study's objectives and sought to link it to the theoretical framework and the variables under investigation. Below are the key observations drawn by the researcher after reviewing the analysis results:

## 1. Gender Distribution:

The results indicate that males constitute 63% of the study sample, while females represent 37% of the total 270 participants. Figure (3-1) illustrates the relative distribution of the sample according to the gender variable.

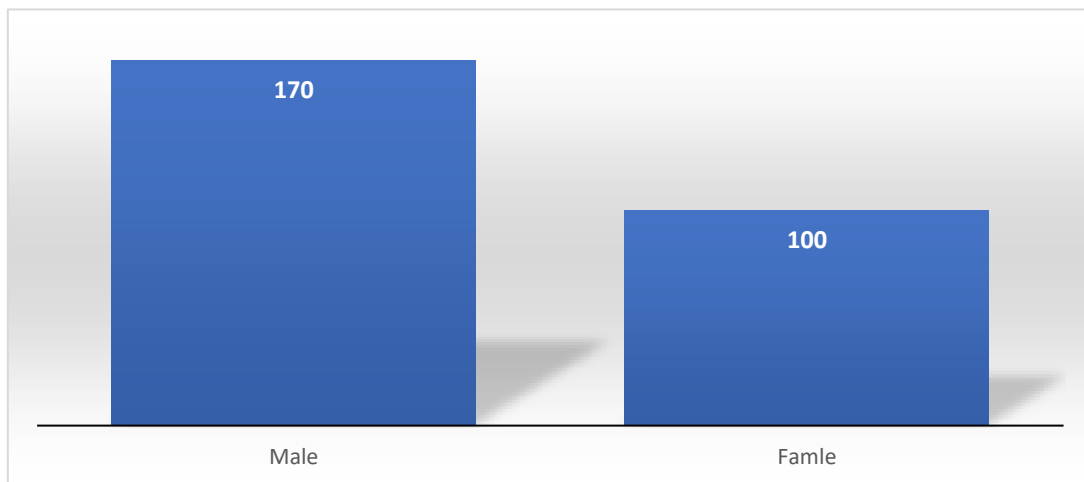


Figure (3. 1): Distribution of the Sample by Gender

Source: Prepared by the researcher based on questionnaire data, 2025

The researcher attributes this distribution to the relatively male-dominated nature of the Palestinian insurance sector, particularly in field and technical positions. However, the noticeable presence of female participants reflects a gradual increase in women's participation in administrative and support roles, suggesting a progressive shift in employment dynamics within the sector. This gender disparity provides an initial context for understanding potential differences in employee perceptions regarding the study variables, such as reward management and work-life balance.

## 2. Age Composition:

The results reveal that the age group of 30–39 years constitutes the largest portion of the study sample, accounting for 37.8% of the total 270 employees. This is followed by the 20–29 age group at 29.6%, then the 40–49 age group at 23%, and finally,

the 50 years and above group at 9.6%. Figure (3-2) illustrates the relative distribution of the sample according to the age variable.

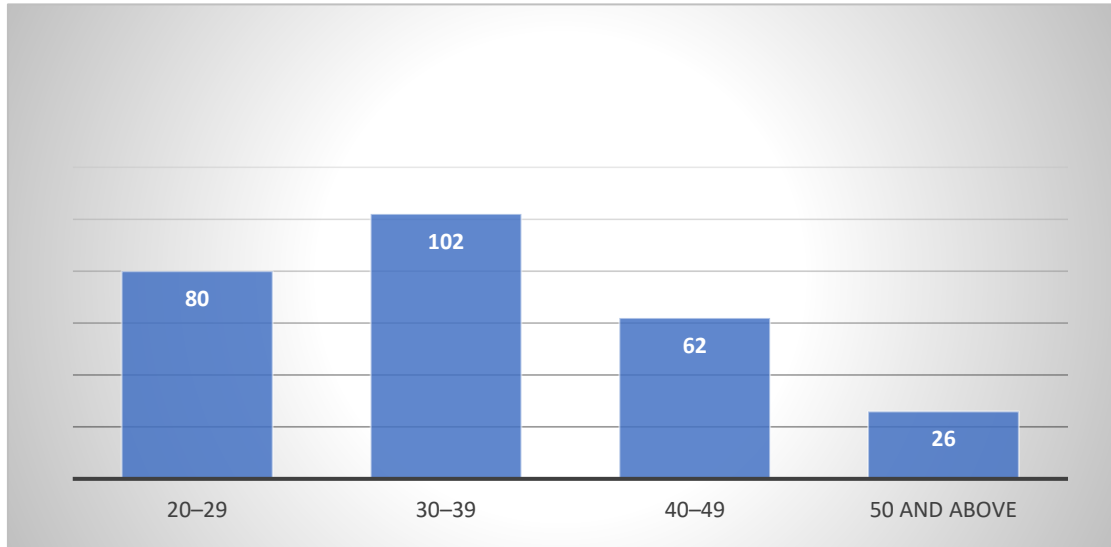


Figure (3. 2): Distribution of the Sample by Age

Source: Prepared by the researcher based on questionnaire data, 2025

The researcher attributes the high representation of the 30–39 age group to the growing trend of hiring experienced yet relatively young professionals in Palestinian insurance companies. This reflects the sector’s effort to balance youthful energy with a foundational level of professional maturity. This age group is often characterized by adaptability, digital literacy, and a readiness to implement innovative work practices. Moreover, the predominance of participants from this group may shape their perceptions toward reward systems, organizational stressors, and the importance of maintaining work-life balance.

### **3. Governorate (Geographical Distribution):**

The study results indicate that the largest proportion of participants is concentrated in Ramallah and Al-Bireh Governorate, accounting for 56.7% of the total sample. This is followed by Nablus and Tulkarm, each at 6.3%, Jenin at 5.9%, Hebron at 4.8%, Bethlehem at 4.4%, Salfit at 3.7%, Tubas and Jericho and the Jordan Valley,

each at 3.3%, and finally Jerusalem and Qalqilya, each at 2.6%. Figure (3-3) illustrates the relative distribution of the study sample by governorate.

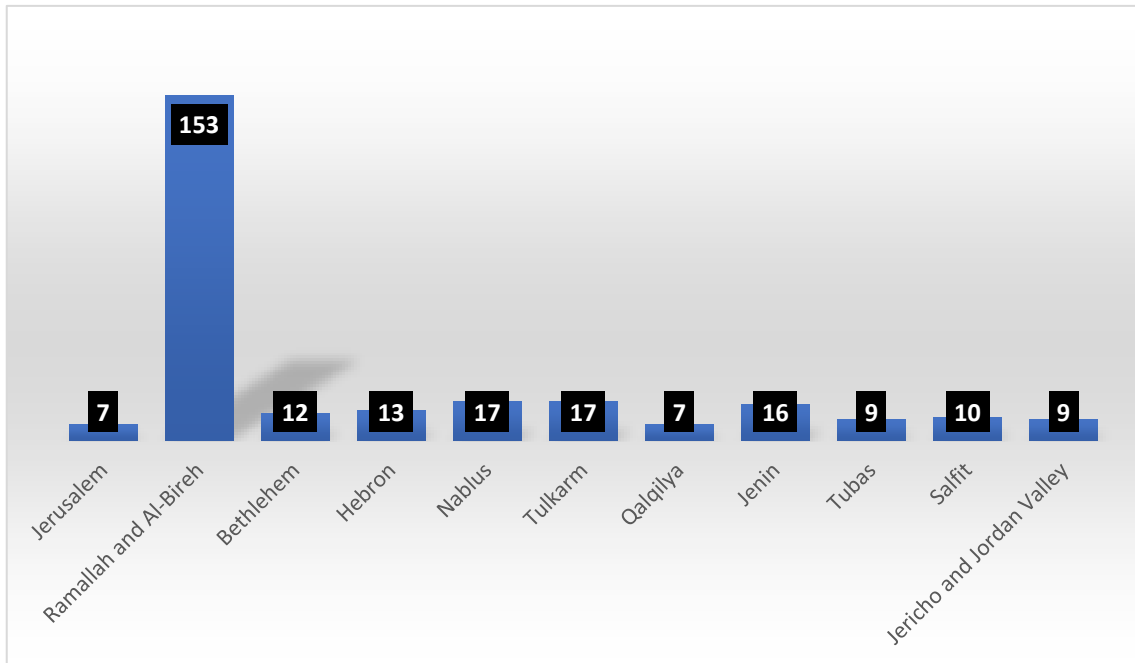


Figure (3. 3): Distribution of the Sample by Governorate

Source: Prepared by the researcher based on questionnaire data, 2025.

The researcher explains that this distribution is primarily due to the fact that the majority of participating insurance company branches are located in Ramallah and Al-Bireh, which facilitated direct access to employees and streamlined the questionnaire distribution process. The variation in representation from other governorates is attributed to differences in the number of operational branches, staffing levels, and the degree of administrative cooperation during the data collection phase. The researcher emphasizes that this geographical distribution is significant for contextualizing the institutional and administrative environments in which employees operate, which may, in turn, influence their perceptions of reward management, work-life balance, and creativity—key variables explored in this study.

#### 4. Educational Qualification:

The study results show that the majority of participants hold a bachelor's degree, representing 65.6% of the total sample. Participants with a master's degree constitute 18.1%, while those holding a diploma or lower qualification account for only 10.4%. A smaller proportion of respondents, 5.9%, reported holding a doctoral degree. Figure (3-4) illustrates the relative distribution of the study sample according to educational qualification.

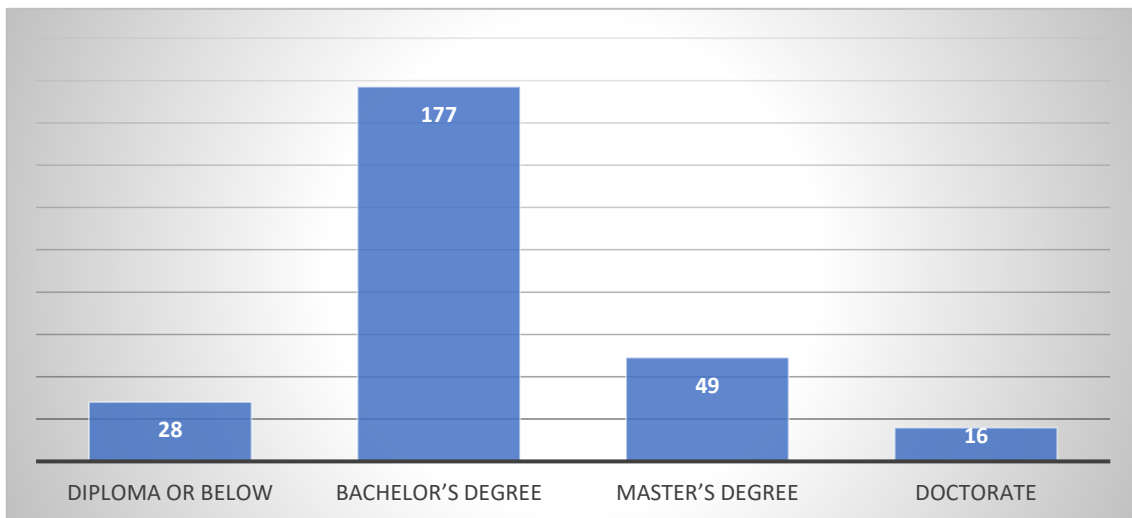


Figure (3. 4): Distribution of the Sample by Educational Qualification

Source: Prepared by the researcher based on questionnaire data, 2025

The researcher explains this distribution by noting that the Palestinian insurance sector shows a clear preference for recruiting university graduates, with bachelor's degree holders forming the majority of the workforce. This trend reflects a growing reliance on academically qualified professionals rather than solely operational or vocational staff. While the representation of employees with master's degrees is also notable (18.1%), it appears concentrated in administrative, technical, or managerial departments that demand higher-level analytical or strategic skills.

The relatively low presence of diploma holders (10.4%) indicates a shift away from vocational recruitment patterns traditionally seen in technical roles. This academic composition may influence employees' understanding of modern HR concepts, such as institutional innovation and work-life balance, and may shape their perceptions of the fairness and effectiveness of reward management policies within their organizations.

## 5. Marital Status:

The study results indicate that the majority of participants in the sample are married, representing 56.7% of the total. They are followed by single participants at 27%, divorced participants at 11.5%, and widowed participants at 4.8%. Figure (3-5) illustrates the relative distribution of the sample according to marital status.

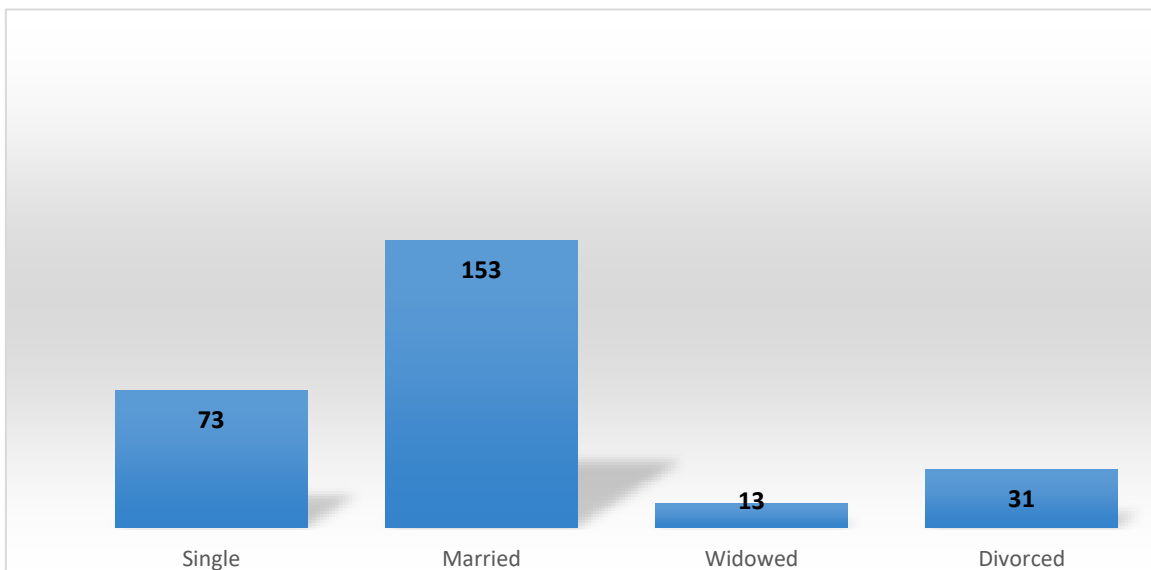


Figure (3. 5): Distribution of the Sample Marital Status

Source: Prepared by the researcher based on questionnaire data, 2025

The researcher believes that this distribution is closely linked to the age composition of the dominant group in the sample, particularly employees aged 30–39, who represent the largest share of respondents. This group often reflects a transitional phase in life, where individuals are advancing professionally while also managing growing family responsibilities.

The relatively high percentage of married participants (56.7%) highlights the relevance of marital status as a key factor in shaping employees' experiences of work-life balance. Married individuals may face distinct pressures and obligations compared to single employees, which in turn may influence how they perceive reward systems, manage stress, and engage in creative performance at work.

## 6. Job Title:

The study results show that the largest proportion of participants hold the position of “employee,” accounting for 51.5% of the total sample. This is followed by heads of sections at 19.3%, managers at 12.6%, the "other" category at 12.2%, and finally, deputy managers at 4.4%. Figure (3-6) illustrates the relative distribution of the sample according to the job title variable.

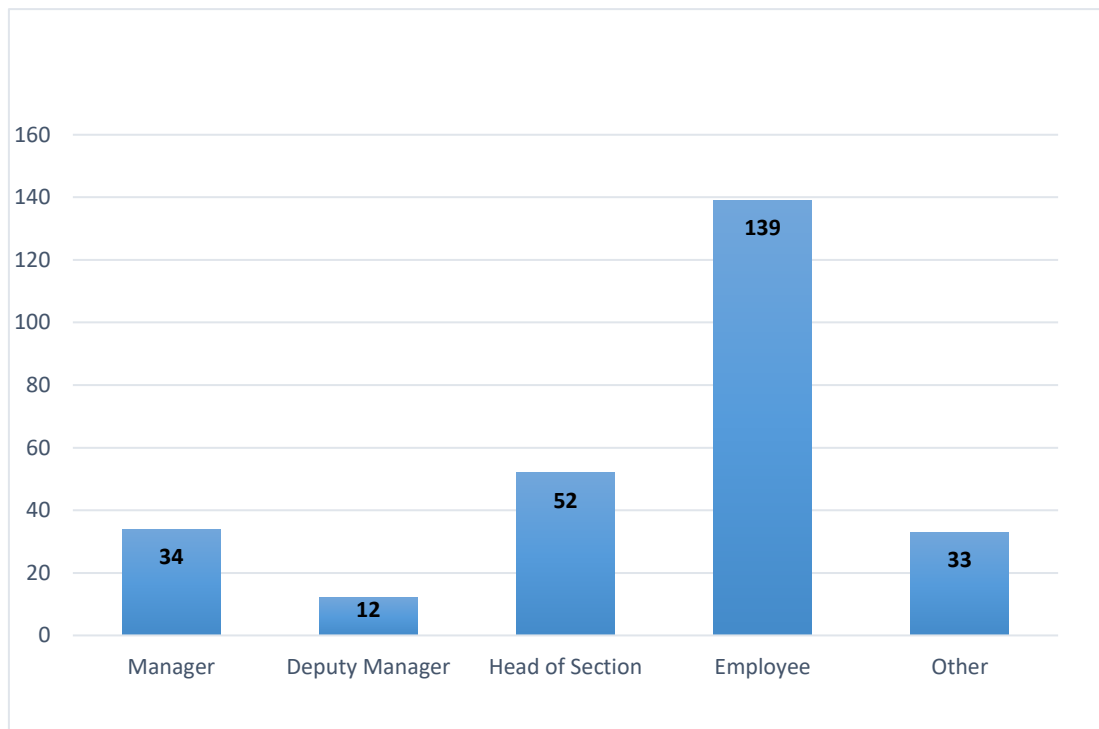


Figure (3. 6): Distribution of the Sample by job Title

Source: Prepared by the researcher based on questionnaire data, 2025

The researcher attributes this distribution to the fact that executive-level employees form the core of the workforce in Palestinian insurance companies, as evidenced by the high percentage of participants holding the title of “employee” (51.5%). This reflects the sector’s operational orientation and its dependence on technical and administrative staff to manage routine activities and service delivery. In parallel, the presence of a considerable proportion of supervisory and managerial

positions—including heads of sections (19.3%), managers (12.6%), and deputy managers (4.4%)—enables the researcher to explore differences in perceptions across hierarchical levels, especially concerning reward management, work-life balance, and employee creativity. Such functional diversity within the sample supports a more comprehensive understanding of organizational structures, decision-making authority, and motivational dynamics within Palestinian insurance institutions.

### 7. Functional Department / Divisions:

The study results indicate that participants are distributed across various departments within insurance companies. The Compensation Department ranked first with 20.0%, followed by the General Insurance Department at 13.0%, the Health Insurance Department at 11.5%, and the Marketing Department at 8.1%. Other notable departments include the Public Relations Department (7.8%), Finance Department (7.4%), and Human Resources Department (6.7%). Smaller proportions were reported in the Legal Affairs Department (3.7%) and the Information Technology Department (3.3%), while a significant portion of respondents (18.5%) indicated affiliation with departments categorized as “Other.” Figure (3-7) illustrates the relative distribution of the study sample by functional department.

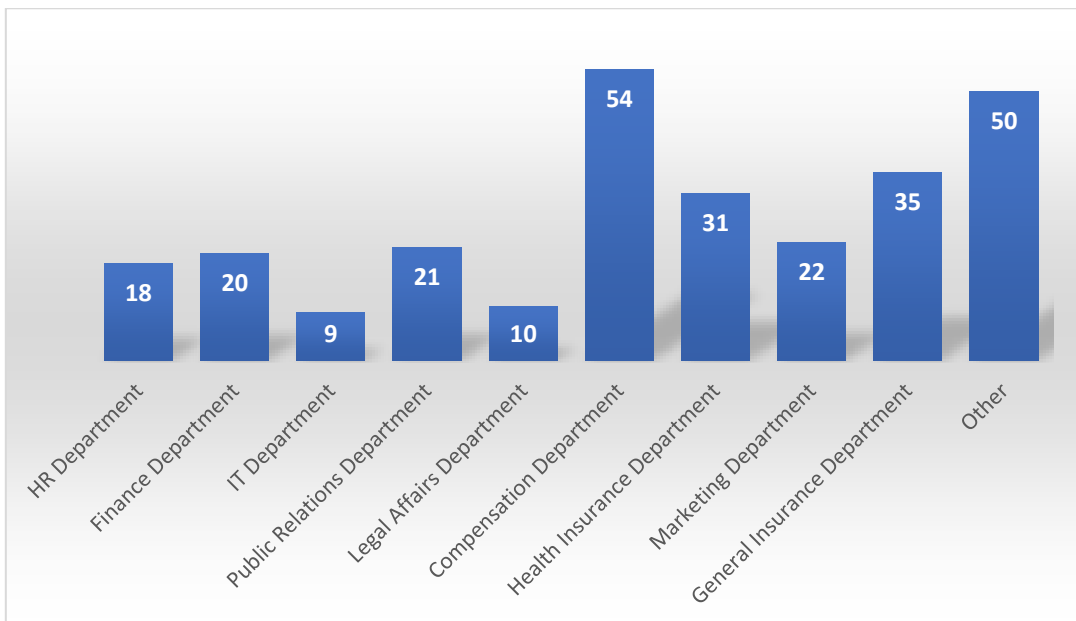


Figure (3. 7): Distribution of the study sample by functional department

Source: Prepared by the researcher based on questionnaire data, 2025

The researcher believes that this distribution reflects the diverse administrative and operational structure of insurance companies in Palestine. Notably, the Compensation Department recorded the highest participation (20%), followed by the General Insurance and Health Insurance departments, underscoring the prominence of core operational and client-facing functions in the insurance sector.

This distribution also points to the active role of departments like Human Resources (6.7%) and Marketing (8.1%), which contribute significantly to managing human capital and implementing incentive strategies. The researcher emphasizes that such departmental diversity enriches the study’s findings, allowing for nuanced analysis of how employees’ functional roles shape their perceptions of reward management, work-life balance, and creativity in the workplace.

### 8. Years of Experience:

The study results indicate that the largest proportion of participants have between 5 and less than 10 years of professional experience, accounting for 49.6% of the total sample. Additionally, 33.0% of the participants have less than 5 years of experience, while only 17.4% have 10 or more years of experience. Figure (3-8) illustrates the relative distribution of the sample according to the years of experience variable.

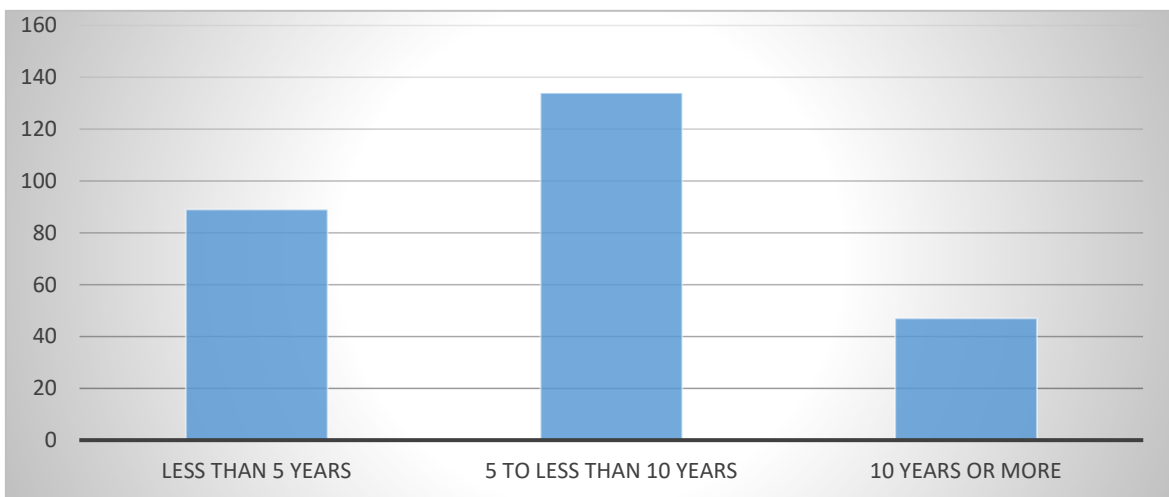


Figure (3. 8): Distribution of the Sample by years of Service

Source: Prepared by the researcher based on questionnaire data, 2025

The researcher interprets this distribution by noting that the majority of employees in Palestinian insurance companies fall into the medium-experience category, which is typically more engaged in daily operations and more directly exposed to workplace challenges. This group is considered to have a realistic understanding of the work environment and institutional policies, thereby lending credibility to their responses in the questionnaire. The researcher also points out that the presence of a considerable number of newly employed staff allows for examining their perceptions from the perspective of professional aspirations, while the more experienced employees serve as a reference point for analyzing how impressions and professional behaviors evolve over time.

### **3.4.3 Researcher's Summary**

After analyzing these results, the researcher utilized them to interpret the relationships among the variables under study. These findings also served as a basis for guiding the recommendations and identifying potential differences in responses based on the demographic characteristics. This data represents an important reference point for understanding the social and administrative context in which the participants operate.

### **3.5 Study Tool**

This study employed a structured questionnaire as the primary tool for data collection to investigate the impact of reward management (independent variable) and work-life balance (mediating variable) on employee creativity (dependent variable) within the context of the Palestinian insurance sector. The questionnaire was adapted from previously validated instruments to ensure a high level of reliability and validity. It was carefully designed to comprehensively capture the study's core constructs, with each section focusing on specific variables aligned with the research objectives, as outlined in Table (2).

- The first section of the questionnaire collected demographic information about the participants, including gender, age, academic qualification, marital status,

job title, department, years of service, and the geographical location (governorate). These data helped in developing a clearer profile of the respondents and provided contextual background for interpreting the study's findings.

- The second section evaluated the independent variable, which is reward management, using 28 items adapted from the studies of Bustamam, Teng, & Abdullah (2014) and Ibitomi et al. (2022). This section was divided into two subsections:
  - Intrinsic rewards (15 items), which measured non-monetary motivators arising from the job itself, such as personal recognition, a sense of achievement, autonomy, and professional development.
  - Extrinsic rewards (13 items), which focused on tangible and financial benefits such as salary, bonuses, allowances, and formal promotions.
- The third section addressed the mediating variable, work-life balance, using 12 items derived from the works of Al-Fazari & Belwal (2019) and Al-Saleem & Al-Nsour (2023). This section aimed to measure the extent to which employees can balance their professional responsibilities with personal and family life, through items related to schedule flexibility, workload management, and availability of personal time.
- The fourth section assessed the dependent variable, employee creativity, using 18 items adapted from Al-Najjar, Qawasmeh, & Sharari (2023), Moghimi & Subramaniam (2013), and Ximenes et al. (2019). The items were designed to capture the frequency and quality of innovative and creative behaviors demonstrated by employees in their roles, including generating new ideas, solving problems innovatively, and improving services or processes.

The questionnaire items were assessed using a five-point Likert scale, ranging from 1 (strongly disagree) to 5 (strongly agree), allowing respondents to indicate the extent of their agreement with each statement. This approach facilitated detailed data collection and supported rigorous statistical analysis.

To ensure the questionnaire's suitability for the Palestinian insurance sector, it underwent a rigorous process of translation and validation. The instrument was initially

translated into Arabic and then back-translated into English by certified Palestinian translators to ensure accuracy. A panel of field experts reviewed the translated version to verify its cultural relevance and clarity. A pilot test was also conducted with a small sample of participants to refine the wording and structure of the questionnaire, ensuring clarity, consistency, and contextual appropriateness.

Table (3. 2): Items for Measuring Constructs

<b>Construct</b>	<b>Type of Construct</b>	<b>Reference</b>	<b>Indicators</b>
Reward Management	Independent Variable	Bustamam et al. (2014); Ibitomi et al. (2022)	1 – 28
Intrinsic Rewards	Subsection		1 – 15
Extrinsic Rewards	Subsection		16 – 28
Work-Life Balance	Mediating Variable	Al-Fazari & Belwal (2019); Al-Saleem & Al-Nsour (2023)	29 – 40
Employee Creativity	Dependent Variable	Al-Najjar et al. (2023); Moghimi & Subramaniam (2013); Ximenes et al. (2019)	41 – 58

### 3.6 Likert Scale for Measuring Respondents' Perceptions:

To determine the extent of respondents' agreement or disagreement regarding the study variables, the Likert scale was used by classifying different data groups based on the overall scores of the variables measured in the study (Alkharusi, 2022). The following table illustrates the five-point Likert scale adopted in the present study:

Table (3. 3): Five-Point Likert Scale

<b>Scale</b>	<b>Strongly Agree</b>	<b>Agree</b>	<b>Neutral</b>	<b>Disagree</b>	<b>Strongly Disagree</b>
<b>Score</b>	<b>5</b>	<b>4</b>	<b>3</b>	<b>2</b>	<b>1</b>

### 3.7 Data Collection

The data for this study was collected from employees working in the five insurance companies previously mentioned and operating in the West Bank, namely: Al-Mashreq Insurance, Al-Baraka Insurance, Trust Insurance, Al-Takaful Palestinian Insurance, and Tamkeen Insurance. According to the annual reports published up to December 31, 2024, the total number of employees across these companies was 870. The data collection process was conducted over a period of three months, from February to April 2025, to ensure adequate representation and comprehensive coverage of the target population.

An online self-administered questionnaire was utilized as the primary data collection tool for this study. The survey was distributed via digital platforms, including email and WhatsApp, to enhance accessibility and user convenience. This approach was selected for its effectiveness in reaching participants across various locations and its efficiency in obtaining a sufficient number of responses within a limited timeframe.

The questionnaire was thoughtfully organized into distinct sections to promote ease of understanding and seamless flow for respondents. The opening section included straightforward guidance on how to complete the survey, accompanied by a declaration that participation in the questionnaire signified voluntary and informed consent. This introduction aimed to ensure that respondents were fully aware of the study's objectives and scope prior to beginning the survey.

The second section gathered demographic information, including age, gender, governorate, educational qualification, marital status, job title, department, and years of service. The remaining sections were dedicated to measuring the study's variables: reward management (independent variable), work-life balance (mediating variable), and employee creativity (dependent variable). All items were rated using a five-point Likert scale ranging from 1 (strongly disagree) to 5 (strongly agree), enabling precise and nuanced quantitative data collection suitable for reliable statistical analysis.

### **3.8 Data Analysis, Reliability, and Validity**

A variety of quantitative analytical techniques will be employed to gain an in-depth understanding of the interrelations among reward management, work-life balance, and employee creativity within the Palestinian insurance industry. The analysis will begin with descriptive statistics to outline the demographic and professional characteristics of the sample. The reliability of the measurement instruments will be assessed through Cronbach's alpha coefficient to ensure internal consistency across the questionnaire scales after data collection. To explore the direct and indirect effects among the study variables, regression analysis will be conducted, followed by structural equation modeling (SEM) using SmartPLS software, which allows for a robust examination of the hypothesized relationships and the mediating role of work-life balance.

Descriptive and reliability analyses were carried out using SPSS, given its efficiency in managing preliminary data screening and executing fundamental statistical tests. For the assessment of the structural model, SmartPLS was utilized, as it offers strong capabilities for analyzing complex frameworks that include latent variables, especially when working with small to medium-sized samples. The integration of both software tools enhances the methodological robustness of the study and contributes to the overall credibility and accuracy of the empirical results.

#### **3.8.1 Content Validity**

Content validity was evaluated through expert appraisal, wherein a group of subject-matter specialists reviewed the questionnaire items to ensure that they adequately represented the study's constructs and were clearly articulated for respondent comprehension (Zamanzadeh et al., 2015). The researcher engaged with the expert panel, carefully considered their input and recommendations, and implemented the required modifications to refine the instrument prior to its final dissemination to the target population.

### 3.8.2 Instrument Reliability

Reliability refers to the extent to which an instrument consistently yields stable results when measuring latent variables under comparable conditions (Ahmad et al., 2024). It reflects the instrument's ability to produce similar outcomes across repeated applications within the same population. In the present study, Cronbach's Alpha was employed as the primary metric for assessing the internal consistency and overall reliability of the questionnaire scales, given its widespread acceptance in social science research (Zakariya, 2022). The table below outlines the Cronbach's alpha coefficients calculated for each of the composite constructs used in the analysis.

Table (3. 4): SPSS outputs

<b>Variable</b>	<b>Number of Items</b>	<b>Cronbach's Alpha</b>
Reward Management	28	0.98
Work-Life Balance	12	0.97
Employee Creativity	18	0.97
<b>Total Score</b>	<b>58</b>	<b>0.98</b>

Source: Prepared by the researcher based on SPSS outputs– field data of the study

The results shown in the table reveal that the research instrument exhibited high internal consistency across all measured variables. The Cronbach's Alpha coefficient for Reward Management was 0.98, indicating excellent reliability. Similarly, both Work-Life Balance and Employee Creativity achieved values of 0.97, reflecting strong internal consistency.

The overall Cronbach's Alpha value for all 58 items in the questionnaire reached 0.98, suggesting that the instrument as a whole possesses a very high level of reliability. These findings confirm that the questionnaire items are closely related and effectively measure the underlying constructs intended in the study. Therefore, the instrument can

be considered dependable for testing the hypotheses and analyzing variable relationships.

These high values align with the benchmark proposed by Bujang et al. (2018), who noted that a Cronbach’s Alpha of 0.70 or above is considered acceptable, while values exceeding 0.90 reflect excellent reliability.

### 3.8.3 Normality Test

The normality of the data distribution for the main study variables was examined using Skewness and Kurtosis indicators. The results show that all values fall within the acceptable statistical range ( $\pm 1.96$ ), indicating no significant deviation from normality. Accordingly, the data are considered suitable for subsequent statistical analyses, including Structural Equation Modeling (SEM) (Bujang et al., 2018; Mishra et al., 2019; Drezner et al., 2011).

Table (3. 5): Normality Test Results for Study Variables (Skewness and Kurtosis)

Variable	Skewness	Kurtosis	Distribution Assessment
Reward Management	-0.57	1.22	Normally Distributed
Work-Life Balance	0.34	0.85	Normally Distributed
Employee Creativity	-0.41	1.07	Normally Distributed

"Statistically significant at a significance level greater than 0.05"

### 3.8.4 Statistical Analysis Procedures

#### - Phase One: Using SPSS Software

In the first phase, the Statistical Package for the Social Sciences (SPSS) is used to conduct preliminary data analysis and ensure the readiness of the dataset for advanced modeling. This phase includes the following steps:

**1- Descriptive Statistics:** Means, standard deviations, frequencies, and percentages were calculated to describe the respondents' demographic characteristics and to offer a general overview of the responses related to each variable.

**2- Reliability Testing (Internal Consistency):** Cronbach's Alpha coefficient was used to evaluate the internal consistency reliability of the study constructs. A coefficient of 0.70 or above is typically regarded as acceptable, signifying that the items within each construct consistently measure the same underlying concept (Nunnally & Bernstein, 1994). This benchmark is widely recognized in social science research for assessing the reliability of multi-item scales.

- **Phase Two: Using Smart-PLS4 Software**

This phase involves applying the Structural Equation Modeling (SEM) methodology using the Smart-PLS4 software, following three main stages:

**1- Measurement Model Evaluation:** This step includes two key components:

- **Convergent Validity:**

Convergent validity is assessed by evaluating indicator reliability (e.g., factor loadings), internal consistency reliability (i.e., Composite Reliability and Cronbach's Alpha), and the Average Variance Extracted (AVE). These indicators demonstrate the degree to which items within a construct consistently represent the same underlying concept (Hair et al., 2010; Hair et al., 2022).

- **Discriminant Validity:**

Discriminant validity ensures that each construct measures a distinct concept, with no substantial overlap with other constructs. It is assessed using the following established criteria:

- Fornell–Larcker Criterion
- Cross Loadings
- Heterotrait– Monotrait Ratio (HTMT)

**2- Structural Model Evaluation:**

This stage constitutes the second phase of Partial Least Squares Structural Equation Modeling (PLS-SEM) analysis and is conducted after confirming the adequacy of the measurement model. It aims to examine the hypothesized causal relationships between latent constructs and assess the overall model's explanatory and predictive capabilities (Hair et al., 2022).

**The structural model is evaluated using several key criteria:**

- **Path Coefficients:** Indicate the strength and direction of the relationships between constructs.
- **Statistical Significance:** Determined using T-values and P-values to assess the support for each hypothesis (Hair et al., 2019).
- **Coefficient of Determination ( $R^2$ ):** Represents the proportion of variance in the endogenous variables explained by the exogenous variables. Higher  $R^2$  values indicate better explanatory power (Hair et al., 2022).
- **Effect Size ( $f^2$ ):** Measures the individual impact of each independent variable on the dependent variable, indicating the substantive effect of predictors (Hair et al., 2022).
- **Predictive Relevance ( $Q^2$ ):** Assessed using the Stone-Geisser test, which determines the model's ability to predict data points not used in model estimation (Hair et al., 2022; Sarstedt et al., 2017).

### **3.9 Hypotheses Testing**

Following the evaluation of the structural relationships within the model, the final phase of analysis focuses on hypothesis testing—addressing both direct effects and mediated indirect pathways. This is accomplished through the Bootstrapping procedure, a widely recognized non-parametric resampling method in PLS-SEM, used to generate robust estimates of standard errors, T-statistics, and P-values for the structural paths (Hair et al., 2022). This approach is especially appropriate for models with limited to moderate sample sizes or datasets that deviate from normality. The outcomes derived from bootstrapping serve to statistically support or refute the research hypotheses, thereby reinforcing the credibility of the proposed theoretical model. This step is

essential in validating the conceptual structure and ensuring its coherence with the overarching theoretical foundations of the study.

### **3.10 Ethical Considerations**

Maintaining high ethical standards was a fundamental priority throughout all stages of this research. The study was conducted in accordance with the ethical guidelines and research integrity principles adopted by the Arab American University, which emphasize respect for participants' autonomy, protection of personal data, and the voluntary nature of participation in academic research.

To ensure transparency and informed consent, the questionnaire began with a comprehensive participant information sheet that outlined the purpose of the study, its objectives, and its academic relevance. This introduction clarified that participation was entirely voluntary, and that participants were free to decline or withdraw at any stage without any obligation or negative consequences.

The study strictly adhered to the principles of confidentiality and anonymity. No identifying personal data—such as names, job titles, or contact details—were collected, and all responses were recorded in an anonymous format. The collected data was stored securely in a password-protected digital environment, with access restricted solely to the researcher and academic supervisor, in line with responsible data management practices.

Moreover, the research respected the principle of non-maleficence, ensuring that participants were not exposed to any form of physical, psychological, or professional harm. The questionnaire was carefully reviewed to avoid any intrusive or sensitive content, and all items were directly aligned with the scope of the study—namely, reward management, work-life balance, and employee creativity.

By adhering to these ethical foundations, the researcher ensured that the study met the academic and ethical expectations set by the university, while maintaining the trust, dignity, and rights of all participants throughout the research process.

## Chapter Four: Results

### 4.1 Introduction

This chapter provides a precise and detailed description of the statistical methods used to analyze the responses of the study sample related to the research variables and statements. It also explains in detail the necessary tests within the Structural Equation Modeling (SEM) methodology to examine the study's data and model. In addition, it presents the results of the hypotheses.

### 4.2 Descriptive Statistics

Descriptive statistics are a fundamental tool for summarizing data in a logical and meaningful way, which helps facilitate more effective understanding and analysis. Data can be presented either numerically through text and tables or visually through charts and graphs. Descriptive statistics rely on key measures, such as the mean and the median, to describe the central tendency and distribution of data (Gravetter & Wallnau, 2016). In this chapter, the researcher used means and standard deviations to identify the respondents' level of awareness regarding the study variables and their dimensions, namely: reward management, employee creativity, and work-life balance.

To evaluate participants' responses, the following criterion was adopted:

- Class length = (Highest scale value – Lowest scale value) ÷ Number of levels
- Class length =  $(5 - 1) \div 3 = 1.33$

Based on this formula, the three levels of the Likert scale (Low, Medium, High) (Pallant, 2020). were defined as shown in **Table (4-1)**.

Here are the translation and formatting of **Table (4-1)**: Likert Scale Levels:

Table (4. 1): Likert Scale Levels

Level	Range
Low	1.00 – 2.33
Medium	2.34 – 3.66
High	3.67 – 5.00

This section aims to present and analyze the descriptive statistics of the study variables by using measures of central tendency (means) and measures of dispersion (standard deviations), with the goal of identifying the respondents' perceived levels across the different dimensions of the study. The main variables examined included: Rewards Management (both financial and non-financial), Work-Life Balance, and Employee Creativity.

The study employed a five-point Likert scale to measure responses, and the means were interpreted according to the following scale:

- From 1.00 to less than 3.00: Low level of agreement
- From 3.00 to less than 4.00: Moderate level of agreement
- From 4.00 to 5.00: High level of agreement. (Pallant, 2020)

**The descriptive statistics results were analyzed and presented in Tables (4-1) to (4-18), and the key findings for each study dimension are summarized below.**

#### 4.2.1 Descriptive Statistics for the Rewards Management Variable

**Table (4-2)** presents the means, standard deviations, relative weights, ranks, and levels of agreement for the items related to the Rewards Management variable, as measured by its two dimensions: Intrinsic Rewards and Extrinsic Rewards.

Table (4. 2): Descriptive Statistics for the Rewards Management Items

No	Statement	Degree of Agreement	Standard Deviation	Arithmetic Mean	Relative Weight	Rank
1.	I feel that my work gives me inner fulfillment and personal satisfaction that	Moderate	Moderate	3.50	70.0%	9

No	Statement	Degree of Agreement	Standard Deviation	Arithmetic Mean	Relative Weight	Rank
	enhances my job engagement.					
2.	I feel that my contribution at work reflects my personal ambitions and aspirations.	Moderate	Moderate	3.58	71.6%	5
3.	Recognition of my efforts by management enhances my intrinsic motivation for professional development.	Moderate	Moderate	3.61	72.2%	2
4.	Positive feedback from my direct manager motivates me to continuously improve my performance.	Moderate	Moderate	3.59	71.8%	4
5.	I receive constructive feedback that aligns with my performance and enhances my sense of creativity.	Moderate	Moderate	3.43	68.6%	13
6.	My company offers real opportunities for professional growth that fulfill my personal ambitions.	Moderate	Moderate	3.40	68.0%	14
7.	Performance evaluations in my company are based on principles that focus on continuous improvement and development.	Moderate	Moderate	3.37	67.4%	15
8.	The promotion systems in my company enhance my desire to achieve the company's goals due to the positive challenges they offer.	Moderate	Moderate	3.46	69.2%	11
9.	The work culture in my company encourages me	Moderate	Moderate	3.44	68.8%	12

No	Statement	Degree of Agreement	Standard Deviation	Arithmetic Mean	Relative Weight	Rank
	to be creative and take initiative out of my personal desire for growth.					
10.	My suggestions are taken seriously, which enhances my sense of the value of my personal contribution.	Moderate	Moderate	3.37	67.4%	15
11.	I enjoy my daily tasks because they represent a stimulating challenge for me.	Moderate	Moderate	3.48	69.6%	10
12.	I feel fully engaged and deeply focused while performing my work.	Moderate	Moderate	3.41	68.2%	13
13.	I perform my duties driven by a personal commitment to excellence.	Moderate	Moderate	3.57	71.4%	6
14.	I feel motivated to keep learning and continuously developing my skills on my own initiative.	Moderate	Moderate	3.54	70.8%	7
15.	I have the freedom to make decisions about how to complete my work, which enhances my sense of personal responsibility.	Moderate	Moderate	3.38	67.6%	15
—	<b>Overall Values for the Intrinsic Rewards Dimension</b>	—	<b>0.981</b>	<b>3.475</b>	<b>69.5%</b>	—
<b>"Dimension Two: Extrinsic / Financial Rewards"</b>						
1.	I feel that the reward system in my company is applied fairly to all employees without discrimination.	Moderate	1.01	3.14	62.8%	4

No	Statement	Degree of Agreement	Standard Deviation	Arithmetic Mean	Relative Weight	Rank
2.	My company pays for overtime work regularly according to the extra working hours.	Moderate	1.01	3.04	60.8%	11
3.	Performance evaluation in my company clearly depends on the level of individual achievement.	Moderate	1.03	3.12	62.4%	6
4.	Salaries in my company are determined based on a salary scale aligned with the local market.	Moderate	0.09	3.11	62.2%	7
5.	The promotion system in my company is based on clear and published standards for all employees.	Moderate	1.06	3.06	61.2%	10
6.	The approved financial rewards in my company enhance my sense of job satisfaction.	Moderate	1.10	3.10	62.0%	8
7.	Salary increases are determined based on transparent and fair criteria for all employees.	Moderate	1.02	3.04	60.8%	11
8.	I am satisfied with my current salary and the financial benefits I receive.	Moderate	1.04	2.87	57.4%	13
9.	My company offers a competitive compensation and financial benefits package compared to other companies in the same field.	Moderate	1.00	3.05	61.0%	9
10.	The financial rewards I receive motivate me to	Moderate	1.07	3.11	62.2%	7

No	Statement	Degree of Agreement	Standard Deviation	Arithmetic Mean	Relative Weight	Rank
	improve my performance and give my best.					
11.	The financial and social benefits (such as health insurance and retirement) meet my actual needs.	Moderate	1.02	3.06	61.2%	10
12.	I feel that the rewards I receive reflect my performance and efforts compared to my colleagues.	Moderate	1.02	2.99	59.8%	12
13	Rewards in my company are granted regularly and periodically, not randomly.	Moderate	1.04	2.97	59.4%	14
—	Overall Values for the Extrinsic Rewards Dimension	Moderate	0.99	3.12	62.56%	—

Source: Prepared by the researcher based on SPSS output results

- **Based on the results presented in Table (4-2) concerning the dimensions of reward management, the findings can be scientifically analyzed as follows:**

The analysis of the reward management dimension both intrinsic and extrinsic revealed that employees perceived non-financial rewards (such as recognition, growth opportunities, and self-motivation) more positively than financial rewards (such as salaries, benefits, and compensation). The intrinsic dimension received a higher arithmetic mean and a greater relative weight.

This finding aligns with the theoretical literature, particularly the Self-Determination Theory (Deci & Ryan, 1985), which emphasizes that satisfying employees' basic psychological needs autonomy, competence, and relatedness leads to greater intrinsic motivation and, consequently, higher levels of creative behavior.

Moreover, the results support (Herzberg, Mausner, & Snyderman, 1959) which distinguishes between motivators (e.g., achievement and recognition) and hygiene factors

(e.g., salary and job security). The theory posits that the absence of intrinsic motivators can lead to reduced job satisfaction and creativity, even when financial incentives are available. This is consistent with the study's results, which indicated that employees were more satisfied with factors related to self-driven motivation and recognition than with direct financial rewards.

In light of previous research, such as Mdhlalose (2024), which underscores the importance of integrating intrinsic and extrinsic reward systems to enhance creative performance, the current findings highlight the urgent need for Palestinian insurance institutions to review and redesign their reward systems. These systems should ensure fairness, transparency, and long-term motivation.

On another note, the researcher emphasizes that the weak evaluation of financial rewards (the extrinsic dimension), as indicated by the results, reflects what has been documented in the literature concerning the Palestinian context. Studies such as Khoury (2021). have pointed to challenges including limited financial resources, inequity, and the inconsistent implementation of financial incentives. These issues help explain the lower satisfaction with this dimension among employees in Palestine.

In conclusion, the researcher contends that the study's findings not only reinforce the adopted theoretical framework but also contribute to its development by providing concrete, field-based evidence from a sector operating under significant economic and structural constraints. This underscores the need for a comprehensive strategic approach to reward management—one that integrates both financial and non-financial incentives while giving balanced attention to the quality of employees' professional lives. Such an approach is essential for fostering creativity and enhancing overall performance.

- **Descriptive Statistics Summary for the Variable of Reward Management Dimensions:**

The statistical analysis results for the reward management dimension indicated that employees' overall perception of this dimension fell within a moderate level of agreement. The general arithmetic mean was 3.298, with a standard deviation of 0.988 and a relative weight of 66.03%. According to the researcher, and based on the results

presented in **Table (4-2)**, these findings suggest a moderate level of satisfaction with the reward systems implemented in the work environment.

It was also found that employees expressed higher satisfaction with intrinsic (non-financial) rewards—such as appreciation, growth opportunities, and self-motivation—with a mean score of 3.475 and a relative weight of 69.5%, compared to extrinsic (financial) rewards—such as salaries and benefits—which received a mean score of 3.12 and a relative weight of 62.56%.

These results highlight the importance of moral and psychological aspects in motivating employees. They are supported by theoretical literature, including the Self-Determination Theory (Deci & Ryan, 1985) and the Two-Factor Theory (Herzberg, 1959), both of which emphasize that intrinsic motivators play a pivotal role in enhancing job satisfaction and driving performance.

**Table (4-3)** below presents the descriptive statistics summary for the dimensions of reward management in all its aspects. This is clearly demonstrated in **Figure (4-1)** below.

Table (4. 3): Descriptive Statistics Summary for the Dimensions of Reward Management

No	Variable	Arithmetic Mean	Standard Deviation	Relative Weight (%)	Degree of Agreement	Rank
1	Intrinsic Rewards / Non-Financial Rewards	3.475	0.981	69.5%	Moderate	1
2	Extrinsic Rewards / Financial Rewards	3.12	0.995	62.56%	Moderate	2
—	Overall Values for Reward Management Dimension	3.298	0.988	66.03%	Moderate	—

Source: Prepared by the researcher based on SPSS output results

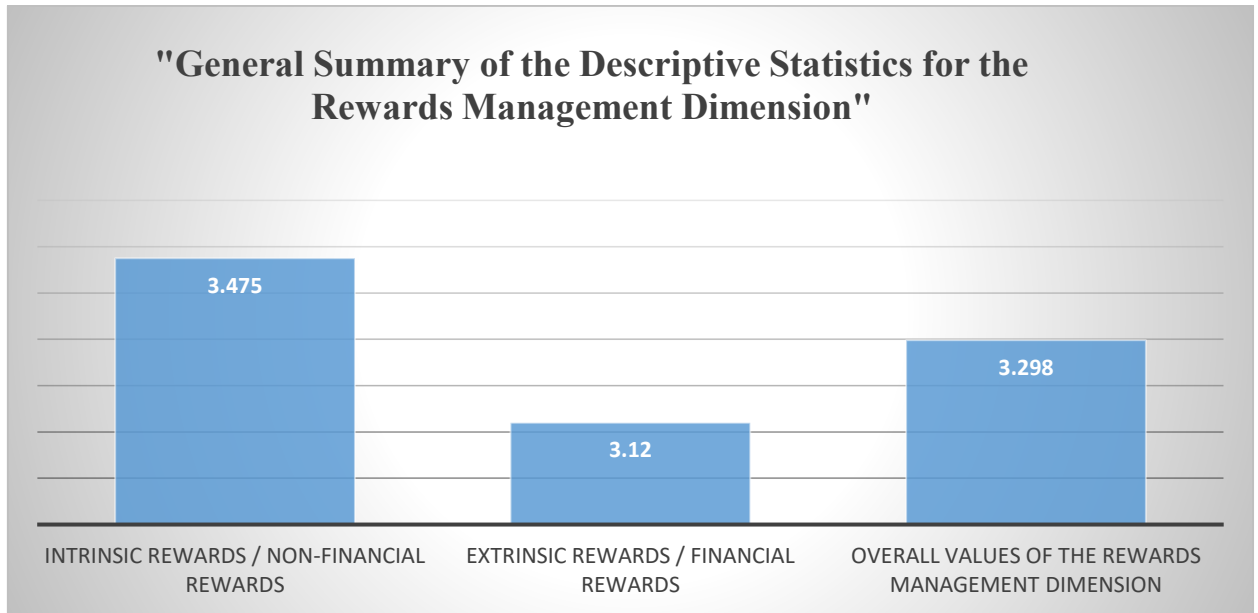


Figure (4. 1): Descriptive Statistics Summary for the Dimensions of Reward Management

Source: Prepared by the researcher based on SPSS output results

#### 4.2.2 Descriptive Statistics for the Employee Creativity Variable

Table (4-4) below presents the standard deviations, arithmetic means, relative weights, rankings, and degrees of agreement for the items related to employee creativity.

Table (4. 4): Descriptive Statistics for the Items of Employee Creativity

No	Statement	Arithmetic Mean	Standard Deviation	Relative Weight (%)	Degree of Agreement	Rank
1.	My company provides an environment that supports creativity.	3.29	0.985	70.8%	Moderate	1
2.	The company I work for provides resources and programs that support new ideas.	3.26	1.02	70.4%	Moderate	2

No	Statement	Arithmetic Mean	Standard Deviation	Relative Weight (%)	Degree of Agreement	Rank
3.	The current reward system in my company encourages creativity.	3.17	1.05	70.2%	Moderate	3
4.	The incentives provided by my company motivate me to present innovative proposals.	3.19	1.06	69.4%	Moderate	4
5.	My company ensures I learn new skills to be more effective at work.	2.25	1.00	69.2%	Moderate	5
6.	My company adopts a policy of employee participation in problem-solving.	3.19	1.08	69.0%	Moderate	6
7.	The communication channel between employees and my company for submitting new ideas is ongoing.	3.24	1.09	67.6%	Moderate	7
8.	The implementation plan for new ideas is scheduled and structured by my company.	3.14	1.00	68.0%	Moderate	8
9.	My company is willing to take risks associated with creative ideas I suggest to improve work.	3.17	0.96	65.8%	Moderate	9
10.	I participate in my company's new service proposal initiatives.	3.23	1.01	65.2%	Moderate	10
11.	I consistently take the initiative to present new ideas to improve work or develop procedures.	3.40	1.03	64.6%	Moderate	11
12.	I aim to propose as many alternative solutions as	3.47	1.05	64.8%	Moderate	12

No	Statement	Arithmetic Mean	Standard Deviation	Relative Weight (%)	Degree of Agreement	Rank
	possible when facing challenges.					
13.	The ideas I often present are practical and feasible.	3.38	0.97	63.8%	Moderate	13
14.	The solutions I provide contribute to improving the performance of the team or department I work in.	3.45	0.98	63.8%	Moderate	14
15.	I can find innovative solutions to problems that arise in the work environment.	3.51	0.01	63.4%	Moderate	15
16.	I deal with professional problems in an unconventional way and propose new methods to solve them.	3.54	0.97	63.4%	Moderate	16
17.	I participate in the development and implementation of new ideas in my company.	3.52	1.03	62.8%	Moderate	17
18.	I devote time and effort to searching for new ways to improve my work.	3.46	0.98	45.0%	Moderate	18
—	Overall Values for the Employee Creativity Dimension	3.298	0.988	66.03%	Moderate	—

Source: Prepared by the researcher based on SPSS output results

- Based on the results presented in Table (4-4) regarding the dimensions of creativity management, the findings for the "Employee Creativity" dimension can be scientifically analyzed as follows:

The analysis revealed that the level of creativity among employees falls within a moderate degree of agreement, with arithmetic means ranging between (2.25 – 3.54), and an overall mean of (3.298) with a relative weight of (66.03%). From the researcher's perspective, this indicates a moderately positive tendency toward adopting creative behavior in the work environment, particularly in areas such as problem-solving, proposing new ideas, and improving procedures.

The researcher interprets this result as consistent with what has been highlighted in the theoretical literature in Chapter One, especially the Organizational Creativity Theory (Amabile, 1996), which asserts that creativity does not stem solely from individual traits, but rather requires a stimulating organizational environment that provides support, autonomy, and opportunities for initiative. The current study's findings also align with the principles of Self-Determination Theory (Deci & Ryan, 1985), which suggest that enabling employees to express themselves, engage in continuous learning, and feel a sense of belonging enhances their intrinsic motivation for creativity.

These findings are further supported by previous studies such as Al-Momani (2022), which showed that involving employees in decision-making and empowering them to implement their ideas fosters innovative behavior, and Figueiredo et al. (2023), which confirmed the connection between organizational culture and the sustainability of creativity in modern workplaces.

These findings are further supported by previous studies, such as Almomani et al. (2023), which demonstrated that involving talented employees in decision-making processes and empowering them to implement their ideas significantly contributes to organizational innovation. Additionally, Fok and Ng (2023) confirmed that a supportive organizational culture plays a critical role in sustaining creativity and promoting long-term innovation in modern workplaces. These insights reinforce the importance of both structural and psychological enablers in fostering a creative work environment.

In the Palestinian context, the results are in line with studies by Khoury (2021) and Yaghi (2020), which pointed out that limited resources and administrative complexities may hinder institutional creativity, yet individual determination and personal flexibility remain enabling factors for generating ideas and solving problems.

Accordingly, the researcher believes that the study's results deepen the theoretical understanding of creativity within organizations and provide empirical evidence on the

importance of moving from merely supporting ideas to adopting clear institutional policies that facilitate the implementation of new proposals and encourage thinking beyond conventional patterns. The study also recommends the need to establish structured spaces for innovation, train employees in design thinking, and adopt modern tools for internal communication that help transform individual ideas into impactful projects that enhance overall performance.

- **Descriptive Statistics Summary for the Employee Creativity Dimension:**

The statistical analysis results for the employee creativity dimension indicated that employees' perception of this dimension falls within a moderate level of agreement, with an overall arithmetic mean of 3.298, a standard deviation of 0.988, and a relative weight of 66.03%. These results suggest a moderate level of satisfaction with the reward systems implemented in the work environment.

It was found that employees expressed higher satisfaction with intrinsic (non-financial) rewards—such as appreciation, growth opportunities, and self-motivation—with a mean of 3.475 and a relative weight of 69.5%, compared to extrinsic (financial) rewards—such as salaries and benefits—which received a mean of 3.12 and a relative weight of 62.56%.

These results reflect the importance of intangible aspects in motivating employees. They are supported by theoretical literature, such as the Self-Determination Theory (Deci & Ryan, 1985) and the Two-Factor Theory (Herzberg, 1959), both of which emphasize that intrinsic motivators play a pivotal role in enhancing job satisfaction and stimulating performance. This is clearly evident in **Table (4-5)**, which presents the overall summary of the descriptive statistics for the employee creativity dimension—as illustrated in **Figure (4-2)** below.

Table (4. 5): Descriptive Statistics Summary for the Employee Creativity Dimension

No	Variable	Arithmetic Mean	Standard Deviation	Relative Weight (%)	Degree of Agreement	Rank
1.	Employee Creativity	3.298	0.988	66.03%	Moderate	1
2.	Overall Value for Employee Creativity	3.298	0.988	66.03%	Moderate	—

Source: Prepared by the researcher based on SPSS output results

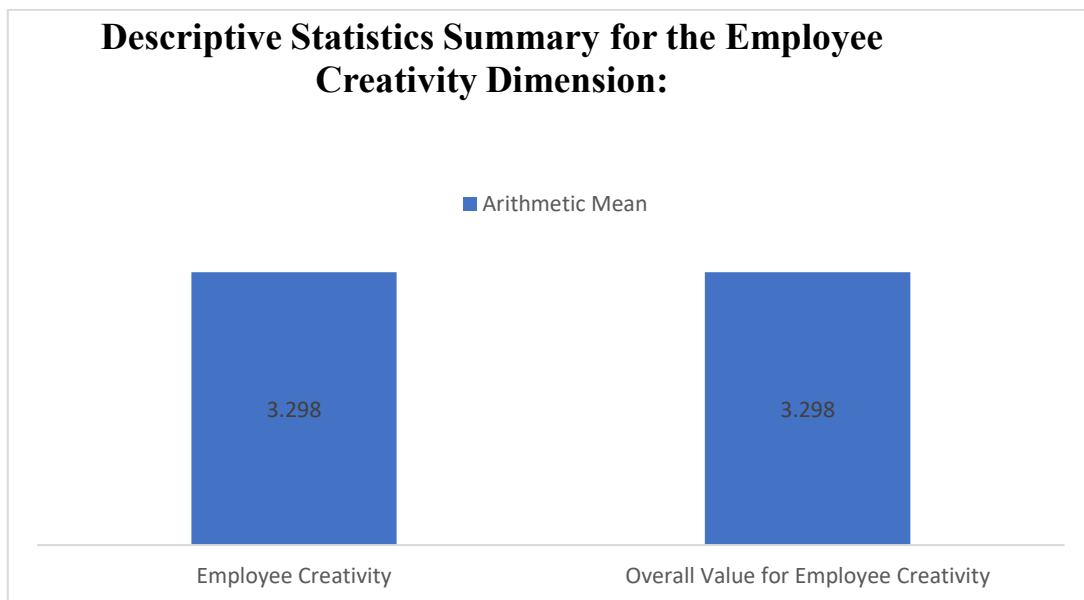


Figure (4. 2): Descriptive Statistics Summary for the Employee Creativity Dimension

Source: Prepared by the researcher based on SPSS output results

#### 4.2.3 Descriptive Statistics for the Work-Life Balance Variable

Table (4-6) below presents the standard deviations, arithmetic means, relative weights, rankings, and degrees of agreement for the items related to work-life balance.

Table (4. 5): Descriptive Statistics for the Items of Work-Life Balance

No	Statement	Arithmetic Mean	Standard Deviation	Relative Weight (%)	Degree of Agreement	Rank
1.	My company provides flexible working hours that help me balance my professional and personal responsibilities.	3.21	0.98	64.2%	Moderate	2
2.	I feel that I have enough freedom to manage my work schedule in a way that suits my personal circumstances.	3.25	0.97	65.0%	Moderate	1
3.	My company offers sufficient leave that allows me to meet my family and personal needs.	3.18	1.04	63.6%	Moderate	5
4.	I feel that I effectively balance my roles as an employee, a family member, and a community member.	3.17	1.03	63.4%	Moderate	3
5.	I feel that I have enough time to take care of myself outside of work.	3.20	1.02	64.0%	Moderate	4
6.	My company encourages a healthy work-life balance through its policies and culture.	3.16	0.98	63.2%	Moderate	6
7.	I feel that my manager supports me in achieving a balance between my job duties and personal life.	3.11	0.98	62.2%	Moderate	7
8.	My company provides a work environment that values employees' mental and physical health.	3.08	0.97	61.6%	Moderate	8
9.	The initiatives offered by my company contribute to my overall well-being as an employee.	3.07	1.01	61.4%	Moderate	9
10.	I feel that stress from family responsibilities does not negatively	3.06	1.03	61.2%	Moderate	10

No	Statement	Arithmetic Mean	Standard Deviation	Relative Weight (%)	Degree of Agreement	Rank
	impact my work performance.					
11.	I am able to handle work pressure without it affecting my personal life.	2.88	1.05	57.6%	Moderate	11
12.	I separate work and personal life commitments well, which helps reduce stress.	2.80	1.18	56.0%	Moderate	12
—	<b>Overall Values for the Work-Life Balance Dimension</b>	<b>3.12</b>	<b>1.03</b>	<b>62.0%</b>	<b>Moderate</b>	—

Source: Prepared by the researcher based on SPSS output results

- **Work-Life Balance Dimension**

The analysis of the Employee Creativity dimension revealed that creativity levels among employees fall within a moderate degree of agreement. The arithmetic means ranged from 2.80 to 3.54, with an overall mean of 3.30, corresponding to a relative weight of 66.03%.

These findings indicate a moderately positive tendency among employees toward adopting creative behaviors in the workplace, particularly in areas related to generating new ideas, improving work methods, and enhancing the quality of services. The results suggest that the current work environment provides employees with a fair level of opportunity to express their creativity, though there remains room for further improvement.

The researcher interprets these results as consistent with the theoretical foundations discussed in Chapter One, particularly the Organizational Creativity Theory (Amabile, 1996), which emphasizes that creativity does not stem solely from individual traits but rather flourishes in supportive organizational environments that encourage initiative, autonomy, and experimentation. The findings also align with the principles of Self-Determination Theory (Deci & Ryan, 1985), which posits that fostering a sense of

belonging, empowerment, and intrinsic motivation significantly enhances one's creative drive.

These findings are further supported by previous studies. For example, Almomani et al. (2023) emphasized that involving talented employees in decision-making and empowering them contributes significantly to organizational innovation, particularly in dynamic sectors such as telecommunications. Similarly, Fok and Ng (2023) highlighted that a supportive organizational culture fosters sustainability and long-term innovation by encouraging creativity and collaborative practices, especially within educational institutions.

In the Palestinian context, the researcher affirms that the findings are in line with insights from Khoury (2021) and Yaghi (2020), both of whom identified limited resources and administrative complexities as barriers to institutional creativity. Nevertheless, personal flexibility and internal motivation remain key drivers for the generation of new ideas and solutions.

- **Descriptive Statistics Summary for the Work-Life Balance Dimension:**

The statistical analysis of the work-life balance dimension, as summarized in **Table (4-7)** and illustrated in **Figure (4-3)**, indicates that employees' overall perception of this dimension falls within a moderate level of agreement. The overall arithmetic mean was 3.12, with a standard deviation of 1.03 and a relative weight of 62.4%.

These findings suggest that employees perceive themselves to have an acceptable level of balance between work demands and personal life, although this balance does not reach a high level. The results reflect an awareness among employees of the importance of work-life balance—particularly in areas such as flexible scheduling, appreciation of personal efforts, and managerial support.

Nevertheless, the moderate indicators point to a need for more institutional efforts to enhance this balance, especially through the development of policies and programs that take into account the human and social aspects of the workplace environment.

These findings are consistent with theoretical literature, which emphasizes that achieving work-life balance contributes to improved job satisfaction and reduced stress, ultimately leading to greater productivity and job stability.

Table (4. 6): Descriptive Statistics Summary for the Work-Life Balance Dimension

No	Variable	Arithmetic Mean	Standard Deviation	Relative Weight (%)	Degree of Agreement	Rank
1.	Work-Life Balance	3.12	1.03	62.4%	Moderate	1
2.	Overall Values for the Work-Life Balance Dimension	3.12	1.03	62.4%	Moderate	—

Source: Prepared by the researcher based on SPSS output results

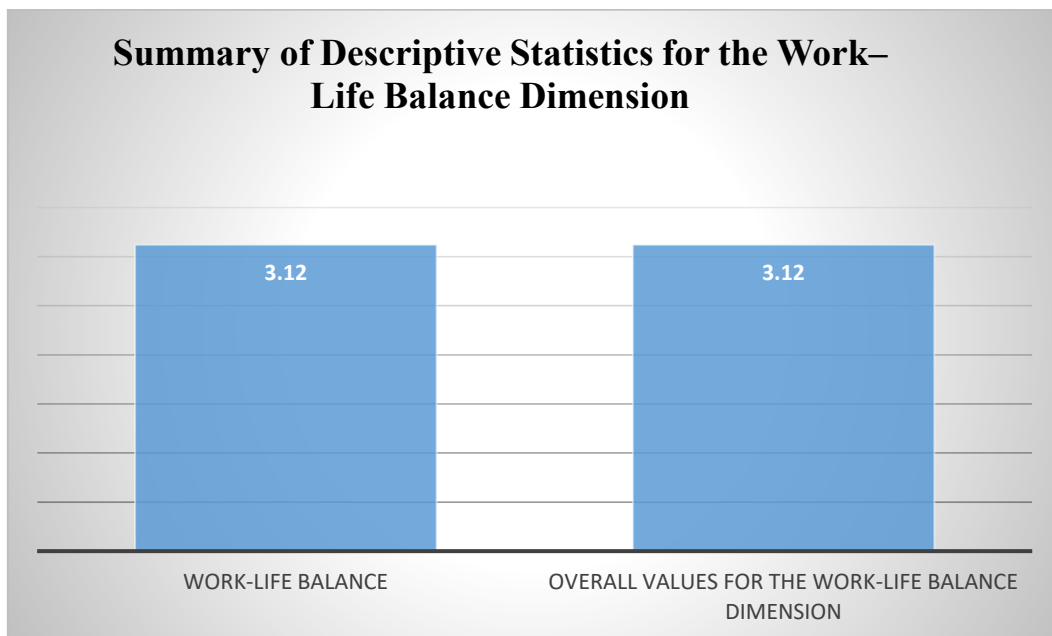


Figure (4. 3): Descriptive Statistics Summary for the Work-Life Balance Dimension

Source: Prepared by the researcher based on SPSS output results

### 4.3 Structural Equation Modeling (SEM)

Aims to estimate and analyze the relationships between measurable (observed) variables and latent variables that cannot be directly measured. One of the widely used approaches within SEM is the Partial Least Squares (PLS) method, which has been

critically examined in the methodological literature (Rönkkö, 2014). SmartPLS 4 is considered one of the most effective tools for applying the PLS-SEM approach, as it enables the estimation of both the measurement and structural models based on specific statistical criteria and indicators (Ringle, Wende, & Becker, 2024).

The measurement model focuses on assessing the quality of the indicators used to measure latent variables by examining convergent validity and discriminant validity. In contrast, the structural model is concerned with analyzing the relationships between latent variables, including both direct and indirect effects, as well as evaluating the strength and statistical significance of these relationships (Sarstedt et al., 2019).

- 1. Assessment of the Measurement Model:** The assessment of the measurement model in Structural Equation Modeling (SEM) using the PLS-SEM approach involves two main phases: convergent validity and discriminant validity. In the first phase, convergent validity is used to evaluate the adequacy of indicators in representing latent variables. This is measured using several statistical indicators such as indicator loadings, internal consistency via composite reliability (CR) and Cronbach's alpha, as well as the average variance extracted (AVE). The fulfillment of these criteria reflects the internal quality of the construct measurements (Hair et al., 2019). The second phase addresses discriminant validity, which ensures that each construct is conceptually distinct from other constructs in the model. This is verified using three main criteria: the Fornell-Larcker criterion, cross-loadings, and the Heterotrait- Monotrait Ratio of Correlations (HTMT). Henseler et al. (2015) recommended HTMT as a more precise and contemporary method for assessing discriminant validity in PLS-SEM models.
- 2. Structural Model Assessment :** The evaluation of the structural model represents the stage at which hypotheses are tested and the relationships between latent variables are analyzed. This phase is conducted only after confirming that the measurement tools used are valid and reliable. The structural model assessment provides insights into the significance, strength, and direction of the hypothesized paths among constructs within the model. (Sarstedt, Hair, Cheah, Becker, & Ringle, 2019).

#### **4.4 Evaluation of Convergent Validity Based on Indicator Loadings (Before Model Modification), as Presented Below**

##### **4.4.1 Indicator Loadings**

The analysis of indicator loadings is one of the key criteria used to assess convergent validity within the measurement model. This metric reflects the strength of the relationship between each item and the latent construct it is intended to measure. According to Hair Jr, Hult, Ringle, and Sarstedt (2016), a loading value of  $\geq 0.70$  is preferred; however, values above 0.50 may be accepted in certain research contexts, provided they do not compromise the overall quality of the model. The results of the indicator loadings are presented in **Figure (4-4)** below, which helps identify the items that demonstrate acceptable saturation and those that may require revision or elimination during the model modification process.

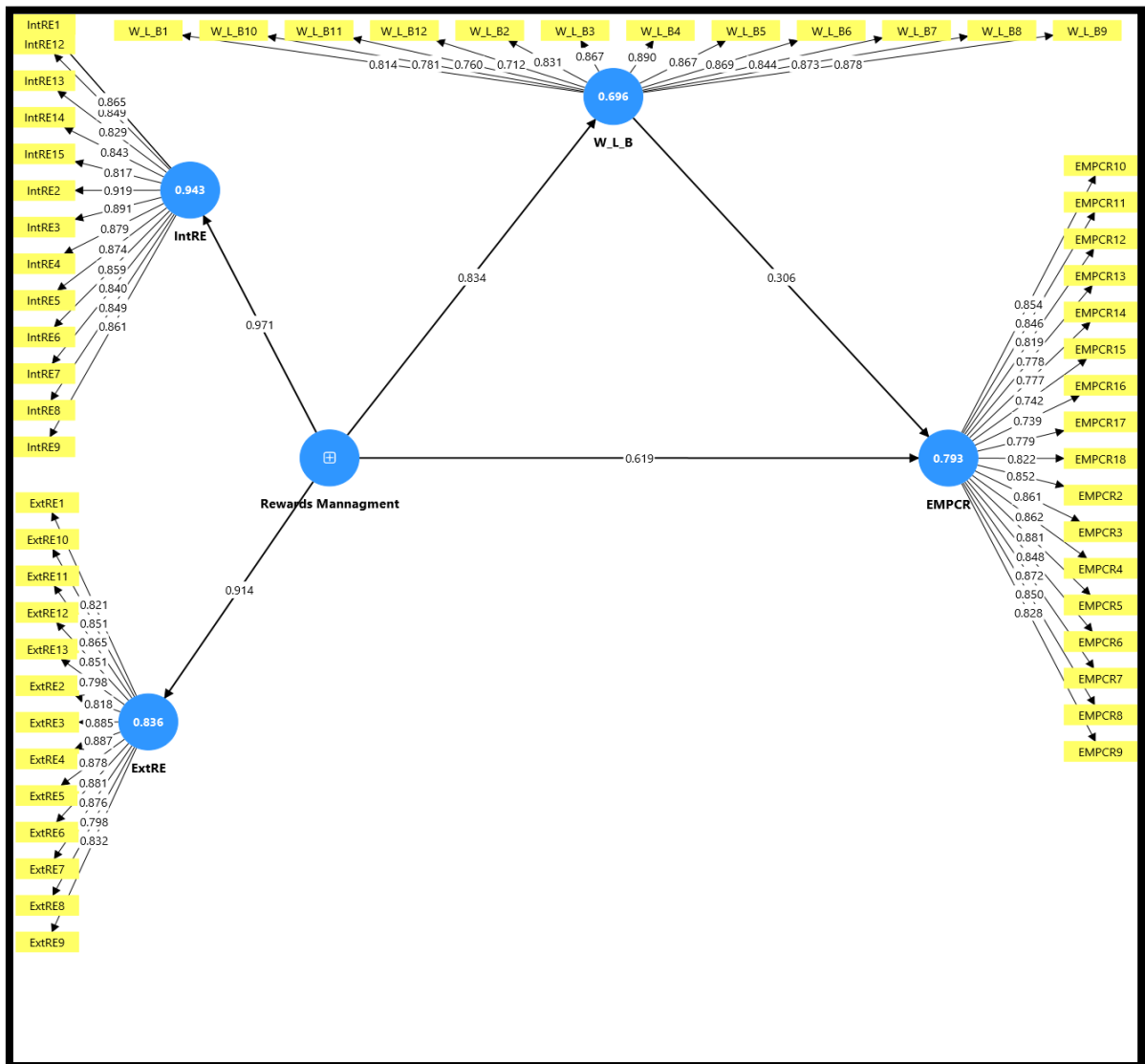


Figure (4. 4): The Measurement Model before Modification

Source: Prepared by the researcher based on the results of statistical data analysis using the SMART\_PLS software

**Figure (4-4)** presents the measurement model before modification, illustrating the relationships between latent variables and their sub-dimensions, as well as the factor loadings of the indicators. This analysis serves as a fundamental step in assessing convergent validity by examining the strength of association between indicators and their theoretical constructs, alongside evaluating structural validity measures such as Composite Reliability (CR) and Average Variance Extracted (AVE).

#### **4.4.2 Evaluation of Convergent Validity Based on Indicator Loadings (After Model Modification), as Presented Below**

The assessment of convergent validity for the measurement model, both before and after modification, indicated that most indicators exceeded the acceptable threshold of 0.70, reflecting strong indicator reliability in line with Hair et al. (2016). However, three items (W\_L\_B6, W\_L\_B10, and ExtRE8) recorded loadings below 0.70, leading to their removal in the modified model to enhance measurement quality. To further validate convergent validity, standard criteria were examined, including indicator loadings, Composite Reliability (CR), and Average Variance Extracted (AVE), as recommended by Hair et al. (2013). All AVE values exceeded the minimum threshold of 0.50, and CR values were above 0.70, confirming good internal consistency. Based on these results, the modified model demonstrates a stable measurement structure and acceptable convergent validity, supporting its readiness for the next stages of analysis, including discriminant validity and structural model assessment. (Hair et al., 2010).

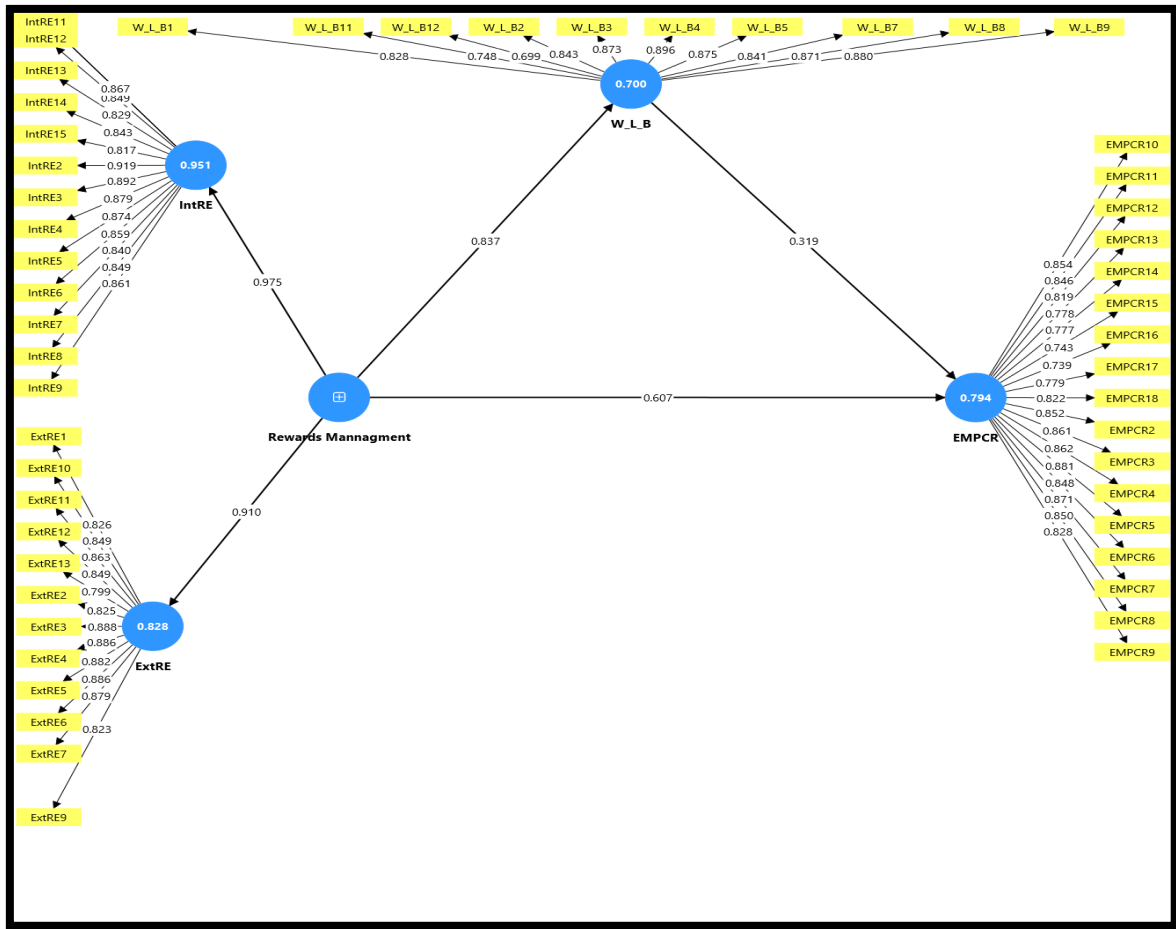


Figure (4. 5): The Measurement Model after Modification

Source: Prepared by the researcher based on the results of statistical data analysis using the SMART\_PLS software

**Figure (4-5)** illustrates the modified measurement model, which presents the relationships between the latent variables—Rewards Management, Work-Life Balance, and Employee Creativity—and their corresponding indicators. The model was improved by eliminating items with factor loadings below 0.70, which contributed to enhancing measurement quality and strengthening the level of convergent validity across the model’s various dimensions.

#### 4.4.3 Measurement Quality after Model Modification

The convergent validity of the modified measurement model was evaluated to ensure the quality of the measurement tools and the accuracy with which indicators represent their theoretical constructs. The results showed that three items ( $W\_L\_B6 = 0.669$ ,  $W\_L\_B10 = 0.681$ ,  $ExtRE8 = 0.667$ ) did not meet the minimum acceptable threshold for factor loadings (0.70) and were therefore excluded to improve the model's quality and enhance convergent validity (Hair et al., 2016). After modification, most indicators exceeded the 0.70 threshold, with only one item ( $W\_L\_B2 = 0.699$ ) slightly below, which is still considered acceptable when supported by strong loadings from the remaining indicators. All Average Variance Extracted (AVE) values exceeded the minimum recommended threshold of 0.50, indicating that each latent variable explains more than half of the variance in its indicators (Hair et al., 2013). Similarly, all Composite Reliability (CR) values were above 0.70, reflecting strong internal consistency within each construct (Hair et al., 2010). Regarding the performance of latent variables, the values were as follows: Intrinsic Rewards ( $IntRE$ ) = 0.951, External Rewards ( $ExtRE$ ) = 0.828, Employee Creativity ( $EMPC\_R$ ) = 0.794, and Work-Life Balance ( $W\_L\_B$ ) = 0.700—all of which indicate acceptable levels of construct representation after model refinement. Based on the fulfillment of all measurement quality criteria, the modified model is statistically valid and ready for structural model analysis and hypothesis testing, reflecting a reliable and stable framework of relationships among the latent constructs and their dimensions.

Table (4. 7): Indicator Loadings for Study Variables

No.	Variable	Dimension	Item Code	Loading
1	Rewards Management	Intrinsic Rewards	IntRE1	0.865
2	Rewards Management	Intrinsic Rewards	IntRE2	0.847
3	Rewards Management	Intrinsic Rewards	IntRE3	0.879
4	Rewards Management	Intrinsic Rewards	IntRE4	0.84

5	Rewards Management	Intrinsic Rewards	IntRE5	0.849
6	Rewards Management	Intrinsic Rewards	IntRE6	0.861
7	Rewards Management	Intrinsic Rewards	IntRE7	0.874
8	Rewards Management	Intrinsic Rewards	IntRE8	0.879
9	Rewards Management	Intrinsic Rewards	IntRE9	0.819
10	Rewards Management	Intrinsic Rewards	IntRE11	0.867
11	Rewards Management	Intrinsic Rewards	IntRE12	0.849
12	Rewards Management	Intrinsic Rewards	IntRE13	0.829
13	Rewards Management	Intrinsic Rewards	IntRE14	0.843
14	Rewards Management	Intrinsic Rewards	IntRE15	0.841
15	Rewards Management	Extrinsic Rewards	ExtRE1	0.826
16	Rewards Management	Extrinsic Rewards	ExtRE2	0.799
17	Rewards Management	Extrinsic Rewards	ExtRE3	0.885
18	Rewards Management	Extrinsic Rewards	ExtRE4	0.886
19	Rewards Management	Extrinsic Rewards	ExtRE5	0.856
20	Rewards Management	Extrinsic Rewards	ExtRE6	0.879
21	Rewards Management	Extrinsic Rewards	ExtRE7	0.823
22	Rewards Management	Extrinsic Rewards	ExtRE9	0.832
23	Rewards Management	Extrinsic Rewards	ExtRE10	0.849
24	Rewards Management	Extrinsic Rewards	ExtRE11	0.863

25	Rewards Management	Extrinsic Rewards	ExtRE12	0.851
26	Rewards Management	Extrinsic Rewards	ExtRE13	0.851
27	Work-Life Balance	W_L_B	W_L_B1	0.828
28	Work-Life Balance	W_L_B	W_L_B2	0.748
29	Work-Life Balance	W_L_B	W_L_B3	0.843
30	Work-Life Balance	W_L_B	W_L_B4	0.895
31	Work-Life Balance	W_L_B	W_L_B5	0.875
32	Work-Life Balance	W_L_B	W_L_B7	0.871
33	Work-Life Balance	W_L_B	W_L_B8	0.88
34	Work-Life Balance	W_L_B	W_L_B9	0.86
35	Work-Life Balance	W_L_B	W_L_B11	0.828
36	Work-Life Balance	W_L_B	W_L_B12	0.748
37	Employee Creativity	EMPC_R	EMPCR1	0.822
38	Employee Creativity	EMPC_R	EMPCR2	0.852
39	Employee Creativity	EMPC_R	EMPCR3	0.861
40	Employee Creativity	EMPC_R	EMPCR4	0.881
41	Employee Creativity	EMPC_R	EMPCR5	0.848
42	Employee Creativity	EMPC_R	EMPCR6	0.85
43	Employee Creativity	EMPC_R	EMPCR7	0.828
44	Employee Creativity	EMPC_R	EMPCR8	0.83
45	Employee Creativity	EMPC_R	EMPCR9	0.828
46	Employee Creativity	EMPC_R	EMPCR10	0.854
47	Employee Creativity	EMPC_R	EMPCR11	0.819
48	Employee Creativity	EMPC_R	EMPCR12	0.817
49	Employee Creativity	EMPC_R	EMPCR13	0.848
50	Employee Creativity	EMPC_R	EMPCR14	0.846
51	Employee Creativity	EMPC_R	EMPCR15	0.819
52	Employee Creativity	EMPC_R	EMPCR16	0.777
53	Employee Creativity	EMPC_R	EMPCR17	0.739
54	Employee Creativity	EMPC_R	EMPCR18	0.822

Source: Prepared by the researcher based on the output results of the SmartPLS software

**Analysis of Indicator Loadings After Model Modification:** The attached table presents the factor loadings of the study indicators following a systematic refinement process, which involved the exclusion of items with loadings below the threshold of 0.70, in line with established methodological standards in structural equation modeling using

SmartPLS—particularly for ensuring convergent validity. The results show that all retained items exceeded the statistical acceptance level ( $\geq 0.70$ ), with the exception of one item (W\_L\_B12), which recorded a marginal value of 0.699. However, this item was retained based on both methodological and conceptual justifications. Specifically, it contributes uniquely to representing a theoretical aspect not adequately captured by other indicators within the same dimension, thereby enhancing the conceptual comprehensiveness and structural consistency of the construct.

#### **4.4.4 Internal Consistency and Convergent Validity**

The measurement model demonstrated high internal consistency across its three main dimensions: reward management in both its forms (intrinsic and extrinsic rewards), work-life balance, and employee creativity. The factor loadings for the indicators were consistently strong and closely aligned, with the intrinsic rewards dimension recording the highest values. Convergent validity was confirmed based on widely accepted criteria as proposed by Hair et al. (2016), including: factor loadings  $\geq 0.70$ , average variance extracted (AVE)  $\geq 0.50$ , and composite reliability (CR)  $\geq 0.70$ . All dimensions met these thresholds, confirming the quality and reliability of the measurement model.

#### **4.4.5 Construct Validity and Readiness for Structural Model Analysis:**

The results confirm that each indicator accurately measures its intended construct, with no significant overlap across dimensions—reflecting strong construct validity. Accordingly, the refined model demonstrates high measurement quality and is statistically fit to proceed to the structural model stage, including the testing of causal relationships among latent variables.

#### **4.4.6 Internal Consistency Reliability (CR)**

The reflects the degree of interrelatedness among indicators measuring the same construct. A high level of consistency indicates strong internal reliability and sound

instrument design (Gruijters et al., 2021). The reliability can be demonstrated through **Table (4-9)** below.

Table (4. 8): Internal Consistency Validity Test (Composite Reliability)

<b>Variable</b>	<b>Composite Reliability (CR)</b>
<b>Intrinsic Rewards (Non-Financial Rewards)</b>	<b>0.977</b>
<b>Extrinsic Rewards (Financial Rewards)</b>	<b>0.970</b>
<b>Overall Rewards Management</b>	<b>0.980</b>
<b>Employee Creativity</b>	<b>0.973</b>
<b>Overall Employee Creativity</b>	<b>0.973</b>
<b>Work–Life Balance</b>	<b>0.959</b>
<b>Overall Work–Life Balance</b>	<b>0.959</b>

Source: Prepared by the researcher based on the output results of the SmartPLS software

- **Analysis of Internal Consistency Reliability Using Composite Reliability (CR) :**

Table (4-9) shows that all variables in the modified model achieved high Composite Reliability (CR) values, each exceeding the statistically accepted threshold of 0.70. This indicates a strong level of internal consistency among the items measuring each construct. The Intrinsic Rewards dimension recorded the highest CR value (0.977), reflecting a high degree of homogeneity among indicators related to non-financial incentives and self-motivation. The Extrinsic Rewards dimension scored a CR value of 0.970, indicating strong correlations among items related to financial rewards. The overall variable of Rewards Management achieved a CR of 0.980, one of the highest in the model, demonstrating the conceptual integration of both intrinsic and extrinsic dimensions into a cohesive framework for interpreting satisfaction and motivation. The Employee Creativity variable recorded a high CR value of 0.973, reflecting the instrument's

accuracy in measuring aspects of creativity such as innovative thinking and problem-solving. The Work–Life Balance variable achieved a CR of 0.959, confirming strong correlations among items addressing psychological, functional, and temporal aspects of balance.

The researcher notes that these results collectively reinforce the strength of the model’s theoretical structure and the precision of the instrument in representing the target variables. They also support the reliability of subsequent statistical analyses, particularly in testing causal relationships within the structural model. Internal consistency reliability is also visually presented in **Figure (4-6)**.

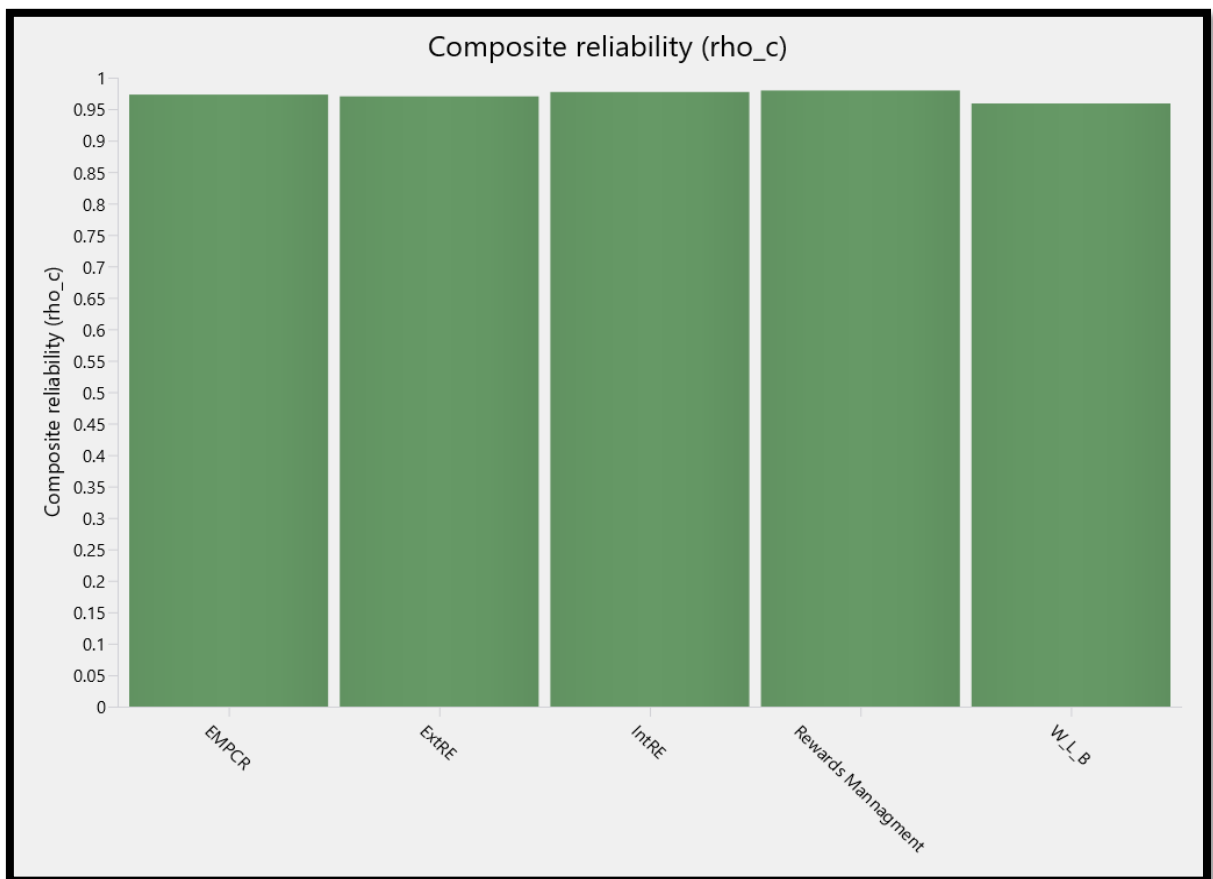


Figure (4. 6): Internal Consistency Validity Test

Source: Prepared by the researcher based on the output results of the SmartPLS software

#### 4.4.7 Discriminant Validity

Discriminant validity reflects the degree to which constructs within a theoretical model are distinct and uncorrelated. In the present study, the Fornell–Larcker criterion was utilized to evaluate discriminant validity. The results showed that the square root of the Average Variance Extracted (AVE) for each construct was greater than its correlations with other constructs, confirming that discriminant validity was achieved. This indicates that the model's constructs are conceptually distinct, thereby reinforcing the model's validity in assessing causal relationships (Fornell & Larcker, 1981).

Table (4. 9): Discriminant Validity Matrix (Fornell–Larcker Criterion)

Variable	EMPCR	ExtRE	IntRE	Rewards Management	W_L_B
EMPCR	0.825				
ExtRE	0.826	0.855			
IntRE	0.870	0.825	0.861		
Rewards Management	0.891	0.937	0.997	0.823	
W_L_B	0.848	0.794	0.849	0.863	0.838

Source: Prepared by the researcher based on the output results of the SmartPLS software

- **Discriminant Validity Analysis Using the Fornell–Larcker Criterion:**

**Table (4-10)** presents the results of the discriminant validity test for the latent variables in the study model using the Fornell–Larcker criterion. This method compares the square root of the Average Variance Extracted (AVE) for each construct with its correlations with other constructs. The results showed that each construct had a  $\sqrt{\text{AVE}}$  value greater than its correlation with any other variable, indicating a clear establishment of discriminant validity. For instance, the construct of Intrinsic Rewards (IntRE) recorded a AVE of 0.861, which exceeded its correlations with other constructs such as Extrinsic Rewards and Work–Life Balance. In light of these results, the researcher affirms that the model possesses a clearly defined conceptual structure, with each set of indicators representing a distinct and independent construct. The researcher further emphasizes that this level of discriminant validity strengthens the reliability of the study instrument and

supports the model’s suitability for testing the proposed causal relationships—particularly the impact of reward management (both intrinsic and extrinsic) on employee creativity, with work–life balance as a mediating variable.

Table (4. 10): Variance Inflation Factor (VIF) Values

Variable	VIF Value
Rewards Management -> EMPCR	3.333
Rewards Management -> W_L_B	1.000
W_L_B -> EMPCR	3.333

Source: Prepared by the researcher based on the output results of the SmartPLS software

#### 4.5 Structural Model Evaluation and Collinearity Diagnostics

Evaluating the structural model in Partial Least Squares Structural Equation Modeling (PLS-SEM) involves several key steps to assess the strength of the relationships between latent variables. These include analyzing path coefficients,  $R^2$  values, predictive relevance ( $Q^2$ ), the significance of relationships, and the overall model fit (Hair et al., 2022). These procedures are essential to ensure the model’s validity and its ability to accurately explain the hypothesized causal relationships.

Given that multicollinearity is one of the key methodological challenges that can affect the accuracy of parameter estimates in the structural model, this study employed the Variance Inflation Factor (VIF) to examine collinearity among the independent variables. The literature suggests that ideal VIF values should not exceed 3, and values below 5 are considered acceptable (Hair et al., 2022). The VIF analysis revealed that all variables were within the ideal threshold, indicating that the model is free from multicollinearity issues and enhancing the reliability of results and the stability of estimates in the structural analysis.

##### 4.5.1 Variance Inflation Factor (VIF) Analysis to Detect Multicollinearity

The Variance Inflation Factor (VIF) test is a key step in evaluating the structural model, used to detect multicollinearity among independent variables. According to Ringle et al. (2023), VIF values are considered acceptable if they are below 5 and ideal if they

are equal to or less than 3. All path relationships fall within the acceptable range. Specifically, the paths Rewards Management → Employee Creativity and Work–Life Balance → Employee Creativity recorded VIF values of 3.333, which are acceptable though approaching the ideal threshold. Meanwhile, the path Rewards Management → Work–Life Balance showed a perfect VIF value of 1.000, indicating no collinearity. The researcher concludes that these results demonstrate the absence of significant multicollinearity in the model, thereby enhancing the reliability of the estimates and affirming the independence of variables in explaining the studied phenomenon.

#### 4.5.2 Explanatory Power (R<sup>2</sup>) Analysis of the Structural Model

The structural model demonstrated a high level of explanatory power, with R<sup>2</sup> values ranging from 0.70 to 0.95, indicating the model’s effectiveness in explaining complex organizational behaviors such as creativity and work–life balance. These values serve as indicators of the strength of the causal relationships, particularly when exceeding 0.51, as noted by Ozili (2023). These results are detailed in Table (4-12), which enhances the reliability of the model’s explanatory analysis.

As presented in Table (4-12), the structural model demonstrated high explanatory power, with R<sup>2</sup> values ranging from 0.700 to 0.951 across all dependent variables. Specifically, Employee Creativity recorded an R<sup>2</sup> of 0.794, Extrinsic Rewards reached 0.828, Intrinsic Rewards achieved the highest value at 0.951, and Work–Life Balance scored 0.700. According to Ozili (2023), R<sup>2</sup> values between 0.51 and 0.90 indicate strong explanatory capability. These results confirm that the model effectively explains complex organizational behaviors such as creativity and work-life balance, thereby reinforcing its validity—especially within the Palestinian institutional context.

Table (4. 11): Explanatory Power Test (R<sup>2</sup> Values)

Variable	R-square	R-square adjusted
EMPCR	0.794	0.793
ExtRE	0.828	0.828
IntRE	0.951	0.950

W_L_B	0.700	0.699
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Source: Prepared by the researcher based on the output results of the SmartPLS software

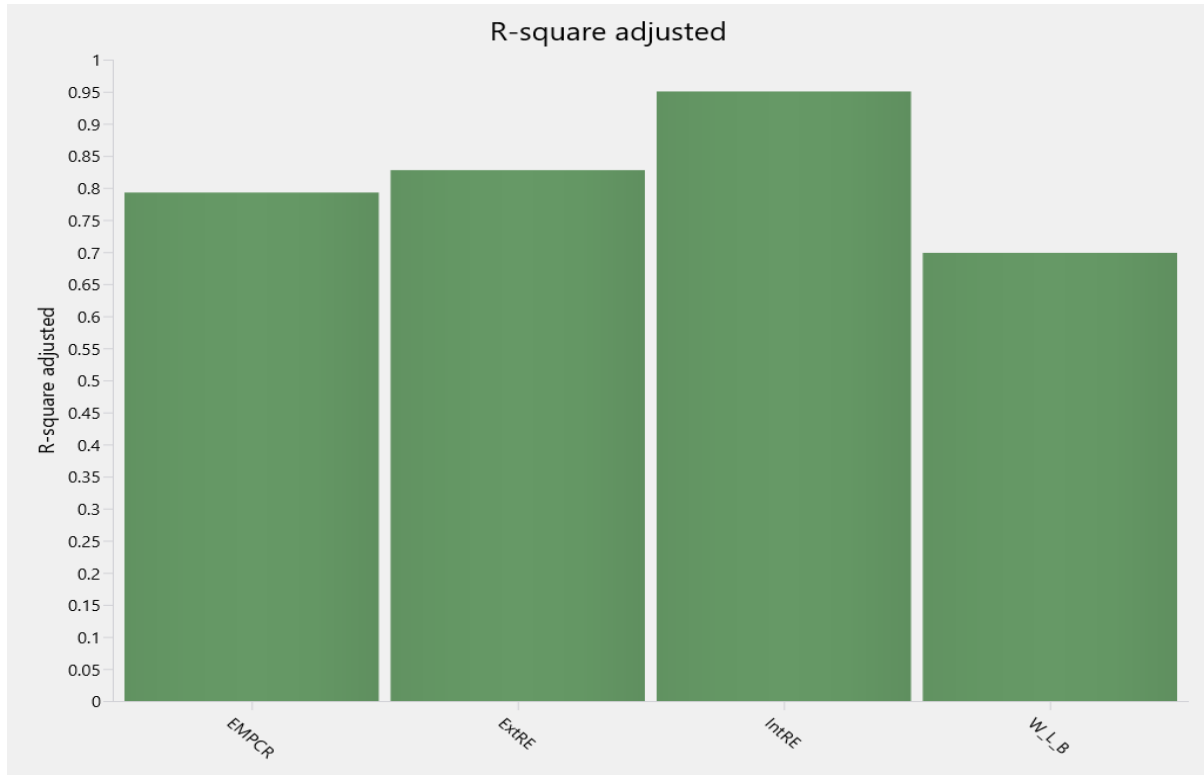


Figure (4. 7): Results of Adjusted Explanatory Power Analysis

Source: Prepared by the researcher based on the output results of the SmartPLS software

#### 4.5.3 Effect Size ( $f^2$ ) Analysis

Effect size is used to determine the strength of the relationship between variables in the structural model. It indicates the magnitude of change or difference in a dependent variable that can be attributed to the influence of a specific independent variable. As shown in **Table (4-13)**, the  $f^2$  values reflect the practical significance of each path within the model, highlighting the independent contribution of each variable to the overall explanatory power of the structural framework.

Table (4. 12): Effect Size ( $f^2$ ) Values

Variable	f-square
Rewards Mannagment -> EMPCR	0.537
Rewards Mannagment -> ExtRE	4.826
Rewards Mannagment -> IntRE	19.241
Rewards Mannagment -> W_L_B	2.333
W_L_B -> EMPCR	0.149

Source: Prepared by the researcher based on the output results of the SmartPLS software

- **General Summary of Effect Size ( $f^2$ ) Analysis:**

**Table (4-13)** demonstrates that all structural model paths achieved high effect size ( $f^2$ ) values, indicating strong relationships between the variables. Rewards Management showed a large effect on Employee Creativity ( $f^2 = 0.537$ ), and an exceptionally high effect on both Extrinsic Rewards ( $f^2 = 4.826$ ) and Intrinsic Rewards ( $f^2 = 19.241$ ), highlighting a robust structural linkage among these dimensions. Additionally, Rewards Management had a strong effect on Work–Life Balance ( $f^2 = 2.333$ ), while the effect of Work–Life Balance on Employee Creativity was moderate ( $f^2 = 0.149$ ). The researcher believes these findings strongly support the theoretical hypotheses of the model and emphasize the structural and practical significance of Rewards Management in fostering employee creativity and achieving personal and professional balance. This underscores the importance of adopting comprehensive incentive policies in the workplace. These results are illustrated in **Figure (4-8)** below.

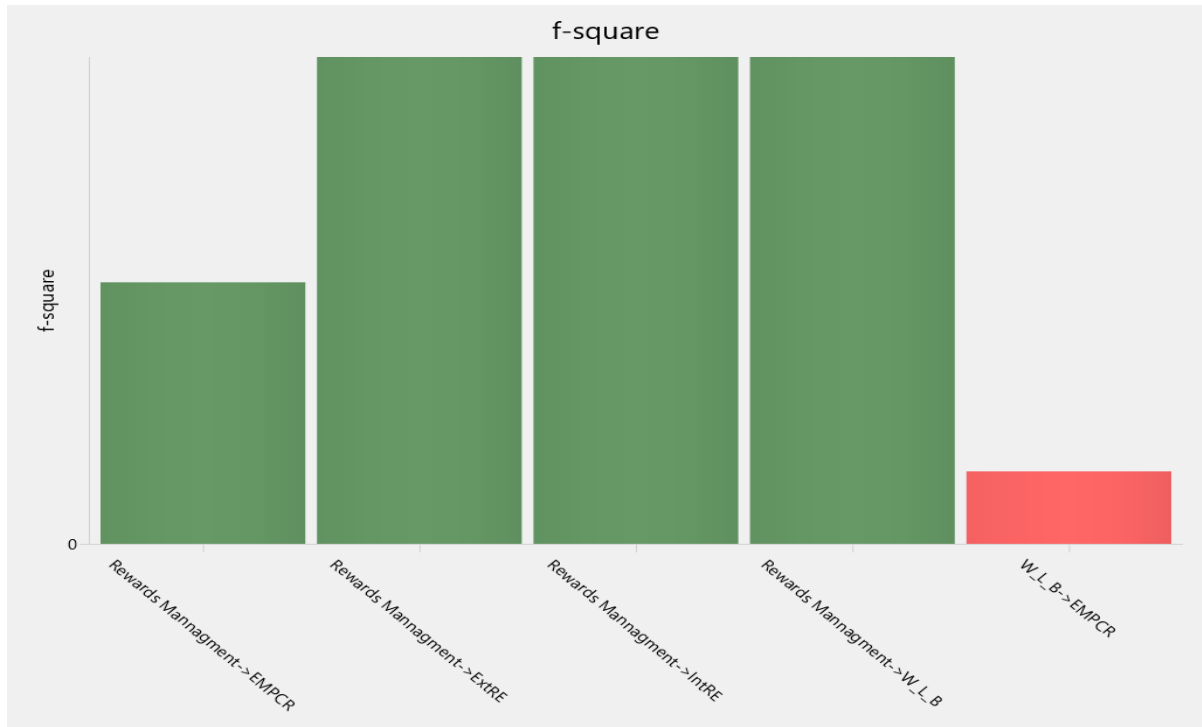


Figure (4. 8): Effect Size (f²) Analysis

Source: Prepared by the researcher based on the output results of the SmartPLS software

#### 4.6 Testing the Study Hypotheses (Direct and Indirect Effects)

The SmartPLS software is distinguished by its use of path analysis methodology to generate results for both direct and indirect hypothesis testing. Interpreting these results requires close attention to the T-statistics and P-values, as these indicate the statistical significance of the relationships being tested.

##### 4.6.1 Results for the Main Hypothesis (H1): The dimensions of rewards management have a positive effect on employee creativity

- A statistically significant effect was found at the  $\alpha \leq 0.05$  level for the indicators of rewards management — namely, intrinsic rewards and extrinsic rewards — on employee creativity in the Palestinian insurance sector.

Table (4. 13): Results of Testing the Impact of Overall Rewards Management on Employee Creativity

Variable	Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	T statistics ( O/STDEV )	P values
Rewards Mannagment -> EMPCR	0.607	0.606	0.061	9.889	0.000

Source: Prepared by the researcher based on the output results of the SmartPLS software

Based on the data presented in **Table (4-14)**, the first hypothesis—stating that there is a positive and statistically significant relationship between rewards management and employee creativity—has been accepted. The analysis showed that the path coefficient from rewards management to employee creativity reached (0.607), indicating a strong and direct positive effect. Additionally, the T-statistic value was 9.889, exceeding the commonly accepted threshold of 1.96, while the P-value was 0.000, which is below the significance level of 0.05. These results confirm the statistical significance and reliability of the relationship.

These indicators highlight the structural impact of rewards management whether intrinsic (non-financial) or extrinsic (financial)—in enhancing employee creativity within the workplace. The findings further support theoretical perspectives suggesting that effective reward systems contribute significantly to increasing individual innovation, especially in competitive service sectors such as the Palestinian insurance industry, where stimulating creativity plays a crucial role in improving institutional performance and achieving competitive advantage. **Table (4-15)** below presents the results of testing the impact of the dimensions of rewards management on employee creativity.

Table (4. 14): Results of Testing the Impact of Rewards Management Dimensions on Employee Creativity

Variable	Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	T statistics ( O/STDEV )	P values
Rewards Mannagment -> EMPCR	0.607	0.606	0.061	9.889	0.000

<b>Rewards Mannagment -&gt; ExtRE</b>	0.910	0.910	0.011	82.562	0.000
<b>Rewards Mannagment -&gt; IntRE</b>	0.975	0.975	0.003	322.602	0.000

Source: Prepared by the researcher based on the output results of the SmartPLS software

- **Analysis of the Impact of Reward Management Dimensions on Employee Creativity:**

Based on the results presented in **Table (4-15)**, the study confirms a statistically significant positive effect of reward management on employee creativity, with a path coefficient of (0.607), a T-value of (9.889), and a strong significance level (P = 0.000). The findings also show that extrinsic rewards strongly influenced reward management (0.910), but the greatest impact came from intrinsic rewards (0.975), supported by a very high T-value (322.602). The researcher believes that these results highlight the importance of rewards—especially intrinsic ones—in fostering a creative work environment. She emphasizes that non-material incentive systems are more effective in enhancing creativity and job commitment, particularly in service-oriented institutions such as insurance companies.

#### 4.6.2 Results of Testing the Second Main Hypothesis (H2)

There is a statistically significant effect at the significance level ( $\alpha \leq 0.05$ ) of reward management on work–life balance in the Palestinian insurance sector.

Table (4. 15): Results of Testing the Impact of Rewards Management Dimensions on Work-Life Balance

<b>Variable</b>	<b>Original sample (O)</b>	<b>Sample mean (M)</b>	<b>Standard deviation (STDEV)</b>	<b>T statistics ((O/STDEV))</b>	<b>P values</b>
<b>Rewards Mannagment -&gt; W_L_B</b>	0.837	0.837	0.018	45.877	0.000

Source: Prepared by the researcher based on the output results of the SmartPLS software

- **Analysis of the Impact of Rewards Management on Work–Life Balance:**

The path analysis results revealed a strong and statistically significant positive effect of rewards management on work–life balance, with a path coefficient of 0.837, a T-value of 45.877, and a significance level of  $P = 0.000$ . These findings indicate that the effectiveness of rewards systems significantly contributes to enhancing employees' sense of balance between their professional and personal lives. The researcher affirms that this relationship highlights the importance of rewards—particularly intrinsic ones—in supporting quality of work life, thereby promoting psychological well-being and overall job satisfaction.

#### 4.6.3 Results of Testing the Third Main Hypothesis (H3)

Work–life balance has a statistically significant positive effect on employee creativity at a significance level of  $(\alpha \leq 0.05)$ .

Table (4. 16): Results of Testing the Positive Impact of Work-Life Balance on Employee

Variable	Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	T statistics ( O/STDEV )	P values
<b>W_L_B -&gt; EMPCR</b>	0.319	0.321	0.062	5.149	0.000

Source: Prepared by the researcher based on the output results of the SmartPLS software

- **Analysis of the Impact of Work–Life Balance on Employee Creativity:**

The results presented in **Table (4-17)** indicate a statistically significant positive effect of work–life balance on employee creativity, with a path coefficient of (0.319) and a T-value of (5.149), exceeding the acceptable statistical threshold, and a strong significance level ( $P = 0.000$ ). These findings suggest that when employees experience a healthy balance between their professional and personal lives, their creativity tends to improve. The researcher affirms that fostering employee well-being through a supportive

work environment is a key factor in encouraging creative thinking and initiative within organizations.

#### 4.6.4 Results of the Indirect Effect Hypothesis Test

Hypothesis H4 :Work–life balance plays a mediating role in the relationship between rewards management and employee creativity.

Table (4. 17): Results of Testing the Mediating Variable Hypothesis

Variable	Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	T statistics ( O/STDEV )	P values
Rewards Mangement -> W_L_B -> EMPCR	0.267	0.269	0.053	5.050	0.000

Source: Prepared by the researcher based on the output results of the SmartPLS software

The results revealed a statistically significant indirect effect of rewards management on employee creativity through work–life balance, with a total path coefficient of (0.267), indicating a moderate-strength effect. The T-value (5.050) and the p-value (P = 0.000) confirm the reliability of these findings. These results suggest that work–life balance serves as an effective mediator, enhancing the impact of rewards management on creativity. This highlights the importance of integrating incentive systems with employee well-being support to achieve more innovative organizational outcomes.

## **Chapter Five: Discussion**

### **5.1 Introduction**

This chapter presents a focused discussion of the study's findings within the Palestinian insurance sector. The chapter returns to the research objectives and hypotheses, stressing the effects discussed of reward management on employee creativity, with work-life balance as a mediating variable. The discussion also covers demographic findings and explains the findings in light of developed theoretical perspectives and prior research, aiming to provide a comprehensible explanation of the causal relations between the study's principal variables.

### **5.2 Demographic Characteristic Discussion**

**Gender and Age Distribution:** The gender bias is even more pronounced in men's favor when it comes to this sample's demographics, standing at 63% men and 37% women. This is reflective of Palestinian insurance company labor force trends more widely, where men's participation predominates due to employment patterns fueled by culture, economy, and sector. The existence of strong female representation here, nonetheless, suggests a growing inclination for female employment within financial services occupations, especially administrative and client service roles.

Demographically, most represented is between 30–39 years old (37.8%) and followed by 20–29 years old (29.6%), an indication that nearly two-thirds of employees are younger than 40. The findings are representative of Palestinian population demographics, where younger adults dominate economically active population. Such an age composition might be reflective of high flexibility, technology expertise, and receptivity to change—values necessary to spearhead creativity and responsiveness to compensation management practices in creative work organizations. Conversely, underrepresentation among employees 50 and above years old (9.6%) arises either from early retirement patterns or work nature that is physically and mentally exhausting.

**Educational Background:** The academic qualification of the respondents shows a well-educated workforce. The majority of respondents (65.6%) possess bachelor's degrees, followed by 18.1% holding master's degrees and 5.9% doctorates. Just 10.4% possess diplomas and below. This speaks well for an employer that values academic readiness and technical expertise, specifically in underwriting, actuarial analysis, and policy development. The dominance of higher education levels is likely to enhance employees' understanding of institutional policies, facilitate the adoption of innovation, and influence expectations regarding incentives and career growth opportunities.

**Job Titles and Roles:** The most striking group in the sample were employees (51.5%) from the insurance companies' working core. Middle and managerial ranks such as heads of sections (19.3%), managers (12.6%), and deputy managers (4.4%) were represented, demonstrating a well-balanced hierarchical structure good for vertical coordination. The 12.2% in "other" categories reflect the spectrum of functions beyond the ordinary managerial echelons such as processing claims, service support, and control in terms of compliance. The spectrum of job titles provides a useful lens through which attitudes to creativity, workload, and remuneration can be inspected.

**Work Experience:** A total of 49.6% reported 5 to fewer than 10 years' service, 33 reported less than five, and 17.4 reported more than 10. This split suggests a mix of newer and experienced professionals in a workforce, offering a blend of newer ideas and institutional expertise. The dominance of mid-career employees likely suggests a phase of stability in career transition, and pay management and work-life balance measures directly impact motivation and retention.

**Departmental Distribution:** The participants were sampled across various departments, such as Compensation Department (20%), General Insurance (13%), and Health Insurance (11.5%) that contributed most considerably. Marketing (8.1%), Public Relations (7.8%), Finance (7.4%), and HR (6.7%) were represented strongly, which suggests cross-functional nature of businesses in insurance. The spread enables the study to reflect on departmental agendas and its impact on perceptions and creativity potential. The "Other" category sample (18.5%) suggests functional diversity that might involve functions like IT, customer support, and compliance.

**Geographical and Marital Status Distribution:** The highest proportion of respondents (56.7%) were concentrated in Ramallah and Al-Bireh, where the main

insurance operations of Palestine are based. Nablus, Tulkarm, Jenin, and Hebron were represented moderately, showing organizational penetration and spreading through branches.

**Marital status** data shows that most of our questionnaire participants were married (56.7%), followed by 27% being single, 11.5% being divorcees, and 4.8% being widowed. These demographics will affect attitudes toward work-life balance since family commitments affect time usage, degree of stress, and employer pressures—areas central to this research's interest in reward management and worker creativity.

### 5.3 Descriptive Analysis Discussion

The descriptive statistical analysis revealed nuanced insights into the three primary constructs of this study: Reward Management (RM), Work-Life Balance (WLB), and Employee Creativity (EC), all of which scored moderate agreement levels, yet showed differentiated performance across dimensions.

**Reward Management (RM)** overall scored moderately ( $M = 3.298$ ;  $SD = 0.988$ ; Relative Weight = 66.03%). Specifically, intrinsic rewards ( $M = 3.475$ ; 69.5%) outweighed extrinsic rewards ( $M = 3.12$ ; 62.56%). This division accords with Self-Determination Theory (Deci & Ryan, 1985), which suggests that intrinsic motivators such as autonomy, recognition, and personal growth are better for internal motivation and creativity than external monetary rewards. Responses such as “Recognition of my efforts by management strengthens my intrinsic motivation” ( $M = 3.61$ ; 72.2%) validate this, in support of Amabile's (1996) argument that intrinsic task motivation is the main source of creative performance. Dissatisfaction was evidenced in items related to salary satisfaction (e.g.,  $M = 2.87$ ; 57.4%), validating Equity Theory (Adams, 1963) — that perceived financial reward inequity can hurt engagement.

**Work-Life Balance (WLB)** also earned a moderate rating ( $M = 3.12$ ;  $SD = 1.03$ ; Relative Weight = 62.4%). While workers did enjoy aspects like freedom of schedule ( $M = 3.25$ ; 65.0%) and personal time ( $M = 3.20$ ; 64.0%), lower ratings on aspects like “I separate work and personal life commitments well” ( $M = 2.80$ ; 56.0%) mean ongoing role conflict. These findings are commensurate with the Job Demands-Resources Model (Demerouti et al., 2001), which emphasizes that the absence of job resources (for

example, supportive leave, mental health programs) can limit employees from managing stress effectively. The findings are also consistent with Spillover Theory (Staines, 1980), which warns that uncontrolled work stress is also likely to affect workers' personal lives and, consequently, their creative engagement.

**Employee Creativity (EC)** was rated moderately but positively ( $M = 3.298$ ;  $SD = 0.988$ ; Relative Weight = 66.03%). Highest ratings were for organizational support for creativity (for example, “My company provides an environment that supports creativity”  $M = 3.29$ ; 70.8%) and for resource provision ( $M = 3.26$ ; 70.4%). These are in accord with Amabile’s Componential Theory of Creativity that creative output is made possible by an enabling organizational climate. However, lower-scoring items such as “I devote time and effort to searching for new ways to improve my work” ( $M = 3.46$ ; Relative Weight = 45.0%) indicate motivational or structural barriers to proactive creative behavior, perhaps caused by the pressures of work-life imbalance or rewards that are not aligned.

Overall, the three constructs enjoy positive levels of engagement. Yet, relative dominance of intrinsic drivers and modest WLB performance necessitate strategic reframing of HR practices. Cultivating creativity within the Palestinian insurance sector is not a question of encouraging reward fairness and financial incentives, but of implementing sound work-life balance policies. These changes are required to ensure employee well-being and maximum innovation capacity within an industry plagued by socio-economic and political uncertainties.

#### **5.4 Mediating Role of Work-Life Balance between Intrinsic Rewards and Employee Creativity (H1)**

Hypothesis H1 posits that work-life balance (WLB) significantly mediates the relationship between intrinsic rewards and employee creativity in the Palestinian insurance sector. This proposition aligns with the theoretical assumption that when employees are intrinsically motivated, they are more likely to experience better balance in their professional and personal roles, which in turn stimulates creative output.

The descriptive results demonstrate that intrinsic rewards achieved the highest score among reward dimensions, with a mean of 3.475 and a relative weight of 69.5%. These results reflect a moderately strong perception among employees of being

intrinsically supported through factors such as recognition (mean = 3.61), alignment of work with personal ambitions (mean = 3.58), and opportunities for continuous learning (mean = 3.54). Simultaneously, work-life balance scored 3.12 with a relative weight of 62.4%, indicating that employees moderately agree that their work environment supports balance. Employee creativity, the outcome variable, registered a mean of 3.298 (66.03%), reflecting a similar level of agreement.

The mediating role of WLB is evidenced in the way intrinsic rewards contribute to psychological states that support balance. For example, the statement “I feel that I have enough freedom to manage my work schedule in a way that suits my personal circumstances” (mean = 3.25) suggests that autonomy—a central pillar of Self-Determination Theory (Deci & Ryan, 1985)—enhances the employee's ability to balance work and life roles effectively. In turn, this sense of balance reinforces conditions conducive to creativity, such as reduced stress and increased focus.

The Job Demands-Resources (JD-R) Model (Demerouti et al., 2001) further supports this finding, suggesting that intrinsic resources—such as task meaning, self-direction, and constructive feedback—function as job resources that not only reduce burnout but also increase engagement and creative output. Moreover, the Role Theory (Kahn et al., 1964) provides another lens, arguing that the better employees manage their multiple roles, the less likely they are to experience conflict—thereby freeing cognitive and emotional resources for innovative thinking.

It is important to note that the top-ranked items in the intrinsic rewards dimension (e.g., recognition = 72.2%, positive feedback = 71.8%) correspond with key WLB indicators, such as flexibility (mean = 3.21) and time control (mean = 3.25). This convergence strengthens the theoretical logic that intrinsic rewards are not only ends in themselves but act as enabling conditions that improve work-life alignment—one of the most critical foundations for sustained creative effort.

In summary, the hypothesis H1 receives strong conceptual and descriptive support. The findings suggest that intrinsic rewards enhance employees' perception of work-life balance, which in turn facilitates greater creative expression. Organizations in the Palestinian insurance sector aiming to stimulate creativity should therefore not only invest in intrinsic motivators but also ensure these motivators are embedded in a culture that supports work-life integration.

## **5.5 Mediating Role of Work-Life Balance between Extrinsic Rewards and Employee Creativity (H2)**

Hypothesis H2 investigates whether work-life balance (WLB) mediates the relationship between extrinsic rewards—such as salary, financial benefits, and promotion systems—and employee creativity in the Palestinian insurance sector. The descriptive statistics reveal that extrinsic rewards attained a mean score of 3.12 and a relative weight of 62.56%, while work-life balance scored 3.12 (62.4%), and employee creativity reached 3.298 (66.03%).

These findings indicate a moderate level of employee satisfaction with financial reward systems and their perceived ability to maintain balance between work and personal life. Notably, items such as “The financial rewards I receive motivate me to improve my performance and give my best” (mean = 3.11) and “I feel that the reward system is applied fairly to all employees” (mean = 3.14) suggest that extrinsic incentives are positively related to feelings of fairness and motivation—two essential precursors to psychological well-being.

Work-life balance, as a mediating construct, is influenced by the predictability and adequacy of compensation. According to the Equity Theory (Adams, 1963), employees continuously evaluate the fairness of input-output ratios. When financial rewards are perceived as fair and commensurate with effort, the result is reduced role tension and enhanced emotional balance. Likewise, the Expectancy Theory (Vroom, 1964) supports that motivation increases when employees believe that high performance leads to valuable outcomes—such as financial security, which in turn helps in managing personal and family obligations.

The alignment between reward systems and WLB is further reinforced by indicators such as “My company offers sufficient leave that allows me to meet my family and personal needs” (mean = 3.18) and “I feel that I have enough time to take care of myself outside of work” (mean = 3.20). These findings suggest that structured and transparent reward systems contribute to employees' ability to maintain personal well-being, which is crucial for creativity.

From a theoretical perspective, the Job Demands-Resources (JD-R) Model provides a comprehensive explanation: financial rewards function as job resources that

buffer job demands and enhance work engagement. When such resources improve the employee's perception of control and satisfaction, they indirectly enable cognitive flexibility and creative problem-solving.

In conclusion, H2 is conceptually supported by both the data and the theoretical framework. The results suggest that work-life balance acts as a crucial pathway through which extrinsic rewards influence employee creativity, affirming the importance of integrated HR strategies that align compensation with employee well-being and innovation goals.

### **5.6 Intrinsic Rewards and Employee Creativity (H3)**

This hypothesis investigates the direct impact of intrinsic rewards on employee creativity within the Palestinian insurance sector. Based on descriptive statistics, the mean score for intrinsic rewards reached 3.475 with a relative weight of 69.5%, indicating a moderate yet notable level of employee agreement. Likewise, employee creativity recorded a mean of 3.298 and a relative weight of 66.03%, reflecting a similarly moderate evaluation.

These findings support hypothesis H3, which states that intrinsic rewards significantly influence creativity. The analysis confirms that non-financial factors—such as recognition (mean = 3.61), personal ambition (mean = 3.58), and continuous development (mean = 3.54)—contribute to motivating employees to engage in creative tasks.

The results are theoretically grounded in the Self-Determination Theory (Deci & Ryan, 1985), which emphasizes that satisfying employees' psychological needs (autonomy, competence, and relatedness) enhances intrinsic motivation and, consequently, creative behavior. Additionally, the Goal-Setting Theory (Locke & Latham, 1990) suggests that when employees are intrinsically driven by meaningful and challenging work, their creative engagement increases.

In conclusion, the findings support H3 and highlight the strategic role of intrinsic rewards in fostering creativity among employees in the insurance sector, particularly through autonomy, recognition, and developmental opportunities.

## **5.7 Extrinsic Rewards and Employee Creativity (H4)**

This section examines the direct relationship between extrinsic rewards—such as salary, financial benefits, and promotion systems—and employee creativity, in line with hypothesis H4. The descriptive statistics indicate that extrinsic rewards received a mean score of 3.12 and a relative weight of 62.56%, reflecting a moderate level of employee agreement. Meanwhile, the mean for employee creativity was 3.298 with a relative weight of 66.03%, indicating a slightly higher but comparable perception of creative engagement.

The findings provide empirical support for H4, suggesting that financial incentives and fair compensation structures play a role in motivating creative behavior. Specific items such as “The financial rewards I receive motivate me to improve my performance and give my best” (mean = 3.11) and “My company offers a competitive compensation and financial benefits package” (mean = 3.05) highlight the connection between extrinsic motivators and employees’ willingness to innovate.

The results are supported by Expectancy Theory (Vroom, 1964), which argues that employees are more likely to exert effort when they believe that high performance will lead to desirable rewards. Furthermore, the Equity Theory (Adams, 1963) reinforces that perceived fairness in financial rewards influences motivation and engagement, which are essential for creativity.

In summary, the results validate H4, demonstrating that while intrinsic motivation remains crucial, well-structured extrinsic rewards significantly contribute to enhancing creative performance in the Palestinian insurance sector.

## **5.8 Direct Impact of Work-Life Balance on Employee Creativity**

This section explores the direct effect of work-life balance (WLB) on employee creativity within the Palestinian insurance sector. According to the descriptive results, WLB recorded a mean score of 3.12 with a relative weight of 62.4%, reflecting a moderate perception among employees regarding their ability to manage professional and personal responsibilities effectively. Meanwhile, employee creativity scored 3.298, with a relative weight of 66.03%, indicating a slightly more favorable perception.

These findings suggest that employees who perceive higher levels of work-life balance are more inclined to engage in creative behaviors. For example, responses to statements such as “I feel that I have enough time to take care of myself outside of work” (mean = 3.20) and “I feel that I effectively balance my roles as an employee, a family member, and a community member” (mean = 3.17) reflect psychological well-being and readiness—conditions conducive to innovation and creative problem-solving.

Theoretically, this relationship is supported by Role Theory (Kahn et al., 1964), which posits that employees who successfully manage multiple life roles without experiencing significant conflict are more likely to perform effectively, innovate, and contribute creatively. Similarly, the Job Demands-Resources (JD-R) Model underscores work-life balance as a vital personal resource that helps employees regulate energy, reduce emotional exhaustion, and enhance their engagement in creative tasks.

From a psychological perspective, individuals who experience less role strain and greater harmony between work and personal life often exhibit higher levels of cognitive flexibility, emotional resilience, and intrinsic motivation—key drivers of creative output.

In conclusion, the findings conceptually confirm that work-life balance exerts a positive and direct influence on employee creativity. Organizations operating in the Palestinian insurance sector should therefore treat work-life balance not only as an issue of employee well-being but also as a strategic lever for innovation and sustainable performance.

## **5.9 Study Recommendations**

Based on the findings of this study and the analysis of data collected from insurance companies operating in Palestine, and in light of the study's main objectives, a set of recommendations has been developed:

- **Enhance Intrinsic Reward Systems, as intrinsic rewards such as recognition, growth opportunities showed a stronger effect on creativity than financial rewards. This could be achieved through the following:**
  - Institutionalize recognition programs to regularly acknowledge creative contributions and innovative problem-solving.
  - Offer clear career development paths through training, mentorship, and promotion based on merit and skill-building.

- Empower employees with autonomy by allowing them to propose and lead new projects or process improvements.
- **Improve Transparency and Fairness in Financial Rewards, as satisfaction with extrinsic rewards was moderate, and some items scored relatively low, thus the following could be applied to this recommendation as follows:**
  - Develop a transparent salary scale tied to clear performance metrics.
  - Ensure consistency in overtime and bonus policies across departments.
  - Regularly benchmark compensation with local market standards to maintain competitiveness.
- **Strengthen Work-Life Balance Policies as WLB emerged as a significant mediator between rewards and creativity, thus the following recommendation could be applied:**
  - Introduce flexible work arrangements, such as adjustable hours or remote work options where applicable.
  - Expand wellness and mental health programs, including stress management workshops and counseling access.
  - Train managers to support employees' personal needs without compromising productivity.
- **Adopt an Integrated Rewards Strategy, as the findings support the value of combining both financial and non-financial incentives, thus the following recommendation could be applied:**
  - Design a hybrid rewards framework that integrates competitive pay with recognition, professional development, and work-life initiatives.
  - Use employee feedback surveys to continuously refine reward and balance strategies.
- **Foster a Culture of Innovation and Inclusion, as employee creativity is highly influenced by organizational climate, thus the following recommendation could be applied:**
  - Establish internal innovation hubs or idea incubators where employees can collaborate and test new ideas.
  - Encourage cross-departmental projects to leverage diverse perspectives and skillsets.

- Celebrate innovation success stories internally to build momentum and motivation.

The above recommendations offer a strategic roadmap for enhancing reward management practices, fostering a healthier work-life balance, and stimulating employee creativity across the Palestinian insurance sector. Their implementation requires coordinated efforts among HR departments, executive leadership, and regulatory bodies. By translating the study's findings into actionable strategies, organizations can improve employee satisfaction and creativity capacity and contribute to the development of a more resilient, adaptive, and competitive workforce—capable of navigating the complex socio-economic challenges facing Palestine. These recommendations, grounded in empirical data and theoretical insights, aim to support long-term organizational sustainability and drive transformational change in human capital development.

### **5.10 Future Studies**

Future studies are encouraged to extend the scope of this research by applying the conceptual framework—linking reward management, work-life balance, and employee creativity—to other sectors beyond insurance, such as banking, healthcare, education, and public administration. This expansion would enhance the generalizability of findings and allow for comparative analyses across different organizational cultures and job demands.

Researchers may also consider conducting longitudinal studies to track how intrinsic and extrinsic rewards influence employee creativity over time, particularly in relation to changes in work-life balance policies and organizational restructuring. Such an approach would mitigate the limitations of the current cross-sectional design and provide deeper insights into cause-and-effect relationships.

Moreover, future research should explore the moderating roles of demographic and contextual variables, such as gender, organizational size, and digital work settings, to better understand how personal and environmental factors shape the dynamics between rewards and creativity. It would also be valuable to investigate how the integration of technology-based reward systems (e.g., gamified recognition platforms or AI-driven feedback tools) affects employees' creative engagement and perceived balance.

Additional variables—such as employee engagement, organizational commitment, and turnover intentions—should be incorporated into future models to enrich the explanatory power of reward-based strategies. Exploring these variables would help address the current study’s scope limitation and support the development of more holistic frameworks.

Finally, future research should translate theoretical findings into practical policy recommendations, particularly in post-conflict and economically constrained contexts like Palestine, where aligning motivational strategies with structural limitations is critical for organizational sustainability and innovation.

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## Appendices

### Appendix (A) 1: Research Questionnaire Arabic Version

استبانة بحثية

Arab American University  
Faculty of Graduate Studies



أثر إدارة المكافآت على إبداع الموظف: استكشاف الدور الوسيط للتوازن بين العمل والحياة في  
قطاع التأمين الفلسطيني

By

**Dana Shafer Shaker Foqahaa**

Supervisor

**Dr. Samer Arqawi**

حضرة الموظف/ة المحترم/ة،

تحية طيبة وبعد،

تقوم الباحثة بإجراء دراسة بعنوان:

"أثر إدارة المكافآت على إبداع الموظف: استكشاف الدور الوسيط للتوازن بين العمل والحياة في قطاع التأمين الفلسطيني"، وذلك استكمالاً لمتطلبات الحصول على درجة الماجستير في إدارة الموارد البشرية من الجامعة العربية الأمريكية.

تهدف هذه الدراسة إلى التعرف على أثر إدارة المكافآت على إبداع الموظف، مع التركيز على الدور الوسيط الذي يلعبه التوازن بين العمل والحياة في هذا السياق. وتُعد هذه الاستبانة أداة رئيسية لجمع البيانات اللازمة لتحقيق أهداف الدراسة.

نرجو من حضرتكم التكرم بالإجابة على الأسئلة بكل صدق وموضوعية، علماً بأن جميع الإجابات ستُعامل بسرية تامة، ولن تُستخدم إلا لأغراض البحث العلمي فقط.

مع خالص شكري وامتناني لجهودكم القيمة ودوركم المتميز في تحسين جودة هذا العمل البحثي.

تعليمات عامة:

1. يُرجى الإجابة على جميع الأسئلة الواردة في الاستبانة.

2. في حال وجود أي استفسارات، يُرجى التواصل مع الباحثة عبر الوسائل التالية:

○ الهاتف: 0597336469

○ البريد الإلكتروني: [d.foqahaa1@student.aaup.edu](mailto:d.foqahaa1@student.aaup.edu)

وتفضلوا بقبول فائق الاحترام والتقدير،

الباحثة: دانا شاهر شاكر فقهاء

المشرف: د. سامر عرقاوي

➤ القسم الاول: المعلومات الديمغرافية

يرجى التكرم بالإجابة على كل سؤال من الأسئلة التالية فيما يخص المعلومات الديمغرافية:

● الجنس:

- ذكر
- أنثى

● العمر:

- من 20 عاماً إلى أقل من 30 عاماً
- من 30 عاماً إلى أقل من 40 عاماً
- من 40 عاماً إلى أقل من 50 عاماً
- من 50 عاماً فأكثر

● المحافظة:

- القدس
- رام الله والبييرة
- بيت لحم
- الخليل
- نابلس
- طولكرم
- قلقيلية
- جنين
- طوباس
- سلفيت
- أريحا والأغوار

● المؤهل العلمي:

- دبلوم فأقل
- بكالوريوس
- ماجستير
- دكتوراه

• الحالة الإجتماعية:

- أعزب
- متزوج
- أرمل
- مطلق

• المسمى الوظيفي:

- مدير
- نائب مدير
- رئيس قسم
- موظف
- أخرى

• الدائرة:

- دائرة الموارد البشرية
- الدائرة المالية
- دائرة الأنظمة وتكنولوجيا المعلومات
- دائرة العلاقات العامة
- دائرة الشؤون القانونية
- دائرة التعويضات
- دائرة التأمين الصحي
- دائرة التسويق
- دائرة التأمينات العامة
- أخرى

• سنوات الخدمة:

- أقل من خمس سنوات
- من 5 سنوات – أقل من 10 سنوات
- من 10 سنوات فأكثر

## ➤ القسم الثاني : إدارة المكافآت

تشير إدارة المكافآت إلى السياسات والممارسات التي تعتمدها الشركة لتحفيز الموظفين من خلال تقديم مكافآت عادلة تستند إلى أدائهم ومساهماتهم. وتشمل هذه المكافآت عناصر مالية وغير مالية، وتُعد وسيلة استراتيجية لتعزيز رضا الموظفين وزيادة إنتاجيتهم وإبداعهم، مما يدعم نجاح الشركة واستدامته. الرجاء قراءة كل عبارة من العبارات التالية فيما يخص إدارة المكافآت المالية وغير المالية، ثم قم بتحديد مدى موافقتك عليها باستخدام المقياس التالي: موافق بشدة، موافق، محايد، غير موافق، غير موافق بشدة.

#	الفقرة	موافق بشدة (5)	موافق (4)	محايد (3)	غير موافق (2)	غير موافق بشدة (1)
<b>المكافآت الداخلية/ المكافآت غير المالية:</b>						
1	أشعر بأن عملي يمنحني إشباعاً داخلياً ورضاً ذاتياً يعزز ارتباطي بالوظيفة.					
2	أشعر بأن مساهماتي في العمل تعبر عن طموحي وتطلعاتي الشخصية.					
3	الاعتراف بجهودي من قبل الإدارة يعزز من دوافعي الذاتية للتطور المهني.					
4	الاستجابة الإيجابية من مديري المباشر تحفزني على تطوير أدائي باستمرار.					
5	ألتقى تغذية راجعة بناءة تتماشى مع أدائي وتعزز شعوري بالإبداع.					
6	تمنحني شركتي فرصاً حقيقية للنمو المهني تحقق طموحاتي الشخصية.					
7	تُبنى تقييمات الأداء في شركتي على أسس تركز على التحسين والتطوير المستمر.					
8	تُعزز نظم الترقية في شركتي من رغبتني في تحقيق أهداف الشركة، لما فيها من تحديات إيجابية.					
9	تشجعني ثقافة العمل في شركتي على الإبداع والمبادرة بدافع من رغبتني الشخصية في التطور.					
10	اقتراحاتي تُستقبل بجدية، مما يعزز إحساسي بقيمة مساهماتي الشخصية.					

					11	أستمتع بمهامي اليومية لأنها تمثل تحدياً محفزاً لي.
					12	أشعر بالانخراط الكامل والتركيز العميق أثناء أداء عملي.
					13	أقوم بأداء مهامي بدافع من التزامي الشخصي بالتميز.
					14	أشعر بالتحفيز للاستمرار في التعلم وتطوير مهاراتي باستمرار من تلقاء نفسي.
					15	أملك حرية اتخاذ قرارات تتعلق بكيفية إنجاز عملي، مما يعزز إحساسي بالمسؤولية الذاتية.
<b>المكافآت الخارجية / المكافآت المالية:</b>						
					1	أشعر أن نظام المكافآت في شركتي يُطبَّق بعدالة على جميع الموظفين دون تمييز.
					2	تدفع شركتي مقابل العمل الإضافي وفقاً لساعات العمل الإضافية بانتظام.
					3	يعتمد تقييم الأداء في شركتي على مستوى الإنجاز الفردي بشكل واضح.
					4	تُحدّد الرواتب في شركتي بناءً على سلم رواتب يتماشى مع السوق المحلي.
					5	يستند نظام الترقيات في شركتي إلى معايير محددة ومنشورة لجميع الموظفين.
					6	تُسهّم المكافآت المالية المعتمدة في شركتي في تعزيز شعوري بالرضا الوظيفي.
					7	تُحدّد زيادات الرواتب وفقاً لمعايير شفافة ومنصفة لجميع الموظفين.
					8	أنا راضٍ عن راتبي الحالي والمزايا المالية الممنوحة لي.
					9	تقدّم شركتي حزمة تعويضات ومزايا مالية تنافسية مقارنةً بشركات أخرى في نفس المجال.
					10	تحفزني المكافآت المالية التي أتلّقاها على تحسين أدائي وتقديم أفضل ما لدي.
					11	تلبّي المزايا المالية والاجتماعية (كالتأمين الصحي والتقاعد) احتياجاتي الفعلية.
					12	أشعر أن ما أتلّقاها من مكافآت يعكس أدائي وجهودي مقارنةً بزملائي.

					13	تُمنَح المكافآت في شركتي بشكل منتظم ودوري وليس بصورة عشوائية.
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➤ القسم الثالث: إبداع الموظف:

يُعرّف إبداع الموظفين بأنه القدرة على التفكير خارج النمط التقليدي من خلال تقديم أفكار وحلول جديدة تُسهم في تطوير بيئة العمل وتحسين الأداء، ويُعد من العوامل الأساسية في تعزيز قدرة الشركة على التميز والتكيف مع التغيرات.

الرجاء قراءة كل عبارة من العبارات التالية فيما يخص إبداع الموظفين، ثم قم بتحديد مدى موافقتك عليها باستخدام المقياس التالي: موافق بشدة، موافق، محايد، غير موافق، غير موافق بشدة.

#	الفقرة	موافق بشدة (5)	موافق (4)	محايد (3)	غير موافق (2)	غير موافق بشدة (1)
1	شركتي توفر البيئة الداعمة للإبداع.					
2	شركتي التي أعمل بها توفر الموارد والبرامج التي تدعم الأفكار الجديدة.					
3	نظام المكافآت الحالي الموجود في شركتي يشجع على الإبداع.					
4	الحوافز المقدمة من قبل شركتي تحفزني لتقديم مقترحات مبتكرة.					
5	تحرص شركتي أن أتعلم مهارات جديدة لأكون أكثر فاعلية في العمل.					
6	شركتي تعتمد سياسة المشاركة مع الموظفين في حل المشكلات.					
7	خط التواصل ما بين الموظفين وشركتي في تقديم أفكار جديدة مستمر.					
8	خطة تنفيذ الأفكار الجديدة محددة بجدول مبني من قبل شركتي.					
9	لدى شركتي استعداد لتحمل المخاطر المرتبطة بالأفكار الإبداعية التي أقترحها لتحسين العمل.					

					10 المقترحات الجديدة من قبل شركتي في تقديم الخدمات أشرت فيها.
					11 أبادر بتقديم أفكار جديدة بشكل مستمر لتحسين العمل أو تطوير الإجراءات.
					12 أسعى إلى اقتراح أكبر عدد ممكن من الحلول البديلة عند مواجهة التحديات.
					13 غالباً ما تكون الأفكار التي أطرحها ذات جدوى وقابلة للتطبيق.
					14 تسهم الحلول التي أقدمها في تحسين أداء الفريق أو القسم الذي أعمل فيه.
					15 أستطيع إيجاد حلول مبتكرة للمشكلات التي تظهر في بيئة العمل.
					16 أواجه المشكلات المهنية بطريقة غير تقليدية وأطرح أساليب جديدة لحلها.
					17 أشارك في تطوير وتنفيذ الأفكار الجديدة في شركتي.
					18 أخصص وقتاً وجهداً للبحث عن طرق جديدة لتحسين عملي.

#### ➤ القسم الرابع: التوازن بين العمل والحياة:

يُعرّف التوازن بين العمل والحياة بأنه قدرة الموظف على تحقيق الانسجام بين مسؤولياته الوظيفية واحتياجاته الشخصية، بما يضمن أداءً فعالاً في العمل وجودة حياة مستقرة، ويُعد عاملاً أساسياً في تعزيز الرضا وتقليل الإجهاد ودعم استقرار الشركة.

الرجاء قراءة كل عبارة من العبارات التالية فيما يخص التوازن بين العمل والحياة، ثم قم بتحديد مدى موافقتك عليها باستخدام المقياس التالي: موافق بشدة، موافق، محايد، غير موافق، غير موافق بشدة.

#	الفقرة	موافق بشدة (5)	موافق (4)	محايد (3)	غير موافق (2)	غير موافق بشدة (1)
1	توفر شركتي ساعات عمل مرنة تساعدني على التوفيق بين مسؤولياتي المهنية والشخصية.					

					أشعر أنني أتمتع بحرية كافية لتنظيم وقت عملي بطريقة تناسب ظروفي الشخصية.	2
					تقدّم شركتي إجازات كافية تمكّني من تلبية احتياجاتي العائلية والشخصية.	3
					أشعر أنني أوازن بشكل فعال بين أدوري المختلفة كموظف وعضو في أسرتي ومجتمعي.	4
					أشعر أن لدي وقتاً كافياً للاعتناء بنفسني خارج نطاق العمل.	5
					تشجّعني شركتي على تحقيق توازن صحي بين العمل والحياة من خلال سياساتها وثقافتها.	6
					أشعر أن مديري يدعمني في تحقيق التوازن بين مهامي الوظيفية وحياتي الخاصة.	7
					توفر شركتي بيئة عمل تهتم بصحة الموظف النفسية والجسدية.	8
					المبادرات التي تقدّمها شركتي تساهم في تعزيز رفاهيتي كموظف.	9
					أشعر أن التوتر الناتج عن مسؤولياتي العائلية لا يؤثر سلباً على أدائي في العمل.	1 0
					أتمكن من التعامل مع ضغوط العمل دون أن تؤثر على حياتي الشخصية.	1 1
					أفصل بشكل جيد بين التزامات العمل والحياة الشخصية مما يخفف من التوتر.	1 2

## **Appendix (B) 1: Research Questionnaire English Version**

**Research Questionnaire**

**Arab American University  
Faculty of Graduate Studies**



**The Impact of Rewards Management on Employee Creativity:  
Exploring the Mediating Role of Work-Life Balance in the Palestinian  
Insurance Sector**

**By  
Dana Shaher Shaker Foqahaa**

**Supervisor  
Dr. Samer Arqawi**

**Dear Participant,**

**Greetings,**

The researcher is conducting a study entitled: “The Impact of Rewards Management on Employee Creativity: Exploring the Mediating Role of Work-Life Balance in the Palestinian Insurance Sector,” in partial fulfillment of the requirements for the Master’s degree in Human Resource Management at the Arab American University.

This study aims to explore the impact of rewards management on employee creativity, with a focus on the mediating role of work-life balance. This questionnaire is a primary tool for collecting the data necessary to achieve the study’s objectives.

You are kindly requested to answer the questions honestly and objectively. Please note that all responses will be treated with strict confidentiality and used solely for scientific research purposes.

With sincere thanks and appreciation for your valuable efforts and your distinguished role in enhancing the quality of this research work.

**Respectfully,**

**Researcher: Dana Shaher Shaker Foqahaa**

**Supervisor: Dr. Samer Arqawi**

**General Instructions:**

- 1- Please answer all questions included in the questionnaire.**
- 2- If you have any inquiries, feel free to contact the researcher through the following:**
  - **Phone: 0597336469**
  - **Email: [d.foqahaa1@student.aaup.edu](mailto:d.foqahaa1@student.aaup.edu)**

➤ **Section One: Demographic Information**

**Please answer each of the following questions related to your demographic information:**

- **Gender:**
  - Male
  - Female
  
- **Age:**
  - 18–28 years
  - 29–39 years
  - 40–50 years
  - 51 years and above
  
- **Governorate (Work Location):**
  - Jerusalem
  - Ramallah and Al-Bireh
  - Bethlehem
  - Hebron
  - Nablus
  - Tulkarm
  - Qalqilya
  - Jenin
  - Tubas
  - Salfit
  - Jericho
  
- **Educational Qualification:**
  - Diploma or below
  - Bachelor's degree
  - Master's degree
  - Doctorate (PhD)
  
- **Marital Status:**
  - Single
  - Married
  - Widowed
  - Divorced
  
- **Job Title:**
  - Manager
  - Deputy Manager
  - Head of Section
  - Employee

- Other

**Department:**

- Human Resources Department
- Finance Department
- Information Technology Department
- Public Relations Department
- Legal Affairs Department
- Compensation Department
- Health Insurance Department
- Marketing Department
- General Insurance Department
- Other

- **Years of Service:**

- Less than 5 years
- 5 to less than 10 years
- 10 years or more

➤ **Section Two: Rewards Management – Non-financial Rewards\ Intrinsic Rewards**

**Reward management** refers to the policies and practices adopted by an organization to motivate employees by providing fair rewards based on their performance and contributions. These rewards encompass both financial and non-financial elements and serve as a strategic tool to enhance employee satisfaction, boost productivity and creativity, and ultimately support the organization's success and sustainability.

**Please read each of the following statements, then indicate your level of agreement using the scale: Strongly Agree (5), Agree (4), Neutral (3), Disagree (2), and Strongly Disagree (1).**

#	Statement	Strongly Agree (5)	Agree (4)	Neutral (3)	Disagree (2)	Strongly Disagree (1)
1	My company uses non-monetary recognition methods.					
2	My company conducts performance evaluations based on professional development.					

3	Promotions in my company are based on achieving company goals.					
4	The amount and frequency of recognition from my direct supervisor is consistent.					
5	The feedback I receive from my company is highly relevant to my work.					
6	The feedback I receive from my company aligns with what I have actually accomplished.					
7	Employee efforts are consistently recognized in my company.					
8	Employee suggestions are considered in major decision-making processes in my company.					

### Rewards Management – Financial Rewards\ Extrinsic Rewards

Please read each of the following statements, then indicate your level of agreement using the scale: Strongly Agree (5), Agree (4), Neutral (3), Disagree (2), and Strongly Disagree (1).

#	Statement	Strongly Agree (5)	Agree (4)	Neutral (3)	Disagree (2)	Strongly Disagree (1)
1	My company has a profit-sharing policy with employees.					
2	My company pays for overtime work based on extra hours worked.					

3	Performance evaluations in my company are based on individual achievements.					
4	Salaries in my company are aligned with the pay scale of other companies.					
5	The promotion system in my company is based on published standards.					
6	The financial rewards provided in my company lead to satisfaction.					
7	Salary increases in my company are determined according to transparent and fair criteria.					

➤ **Section Three: Employee Creativity**

**Employee creativity** is defined as the ability to think beyond conventional patterns by generating novel ideas and solutions that contribute to improving the work environment and enhancing performance. It is considered a fundamental factor in strengthening an organization's ability to innovate, differentiate, and adapt to change.

**Please read each of the following statements, then indicate your level of agreement using the scale: Strongly Agree (5), Agree (4), Neutral (3), Disagree (2), and Strongly Disagree (1).**

#	Statement	Strongly Agree (5)	Agree (4)	Neutral (3)	Disagree (2)	Strongly Disagree (1)
1	My company provides an environment that supports creativity.					
2	My company offers resources and programs that support new ideas.					
3	The current reward system in my company encourages creativity.					

4	The incentives offered by my company motivate me to propose innovative ideas.					
5	My company ensures that I learn new skills to be more effective at work.					
6	My company follows a policy of engaging employees in problem-solving.					
7	There is continuous communication between employees and the company regarding the presentation of new ideas.					
8	The plan for implementing new ideas is scheduled by my company.					
9	My company is fully prepared to take risks associated with the innovative solutions I propose.					
10	I am involved in developing new proposals to improve the services provided by my company.					
11	My company has a formal mechanism for receiving and developing creative ideas from employees, such as a suggestion box or internal digital platforms.					

➤ **Section Four: Work-Life Balance**

**Work-Life Balance** is defined as an employee's ability to achieve harmony between professional responsibilities and personal needs, ensuring effective job performance and

a stable quality of life. It is considered a key factor in enhancing job satisfaction, reducing stress, and supporting organizational stability.

**Please read each of the following statements, then indicate your level of agreement using the scale: Strongly Agree (5), Agree (4), Neutral (3), Disagree (2), and Strongly Disagree (1).**

#	Statement	Strongly Agree (5)	Agree (4)	Neutral (3)	Disagree (2)	Strongly Disagree (1)
1	My company provides enough flexibility to balance work with personal needs.					
2	The workload in my company is balanced with my abilities and capabilities.					
3	My company offers sufficient leave to meet personal and family needs.					
4	My company provides an appropriate environment that supports employee well-being.					
5	The methods I use to solve work-related problems are not effective in solving family-related problems.					
6	I succeed in creating a balance between my multiple life roles (employee/spouse/parent, etc.).					
7	I feel equally satisfied with my roles in both family and professional life.					
8	Stress and anxiety resulting from family life do not					

	negatively affect my ability to perform my job.					
9	I strive to face work challenges and pressures with a positive spirit, which helps me maintain a balance between my professional and personal life.					
10	The time I spend with my family does not prevent me from participating in required work activities.					

**Appendix (C) 1: List of Expert Reviewers for the Study Instrument (Questionnaire)**

<b>Name</b>	<b>University</b>	<b>Specialization</b>	<b>Academic Position</b>
Prof. Fathallah Ghanem	Al-Quds Open University	Business Administration	Faculty Member – Full Professor
Dr. Zahi Yaseen	An-Najah National University	Management	Faculty Member – Assistant Professor
Dr. Tareq Jarrar	Palestine Technical University - Kadoorie	Public Administration	Faculty Member – Assistant Professor
Dr. Baha Abu Ruzia	Palestine Technical University - Kadoorie	Business Administration – Economics	Dean of the Faculty of Business and Economics – Assistant Professor
Dr. Mohammad Al-Qarm	Al-Istiqlal University	Public Administration	Faculty Member – Assistant Professor
Dr. Fadi Abu Dayyak	Palestine Technical University - Kadoorie	Management – Finance	Faculty Member – Assistant Professor
Dr. Fawaz Al-Badawi	Al-Quds Open University	Business Administration	Faculty Member – Assistant Professor

## "أثر إدارة المكافآت على إبداع الموظف: استكشاف الدور الوسيط للتوازن بين العمل والحياة في قطاع التأمين الفلسطيني"

دانا شاهر شاكر فقهاء

د. سامر عرقاوي

أ. د فتح الله غانم

د. زاهي ياسين

### ملخص

الغرض: تهدف هذه الدراسة إلى استكشاف الدور الوسيط للتوازن بين العمل والحياة في تأثير إدارة المكافآت (المكافآت الجوهرية وغير الجوهرية) على إبداع الموظف في قطاع التأمين الفلسطيني. وتسعى الدراسة إلى فهم كيفية مساهمة أنظمة المكافآت في تعزيز الإبداع، مع دعم رفاه الموظفين، في ظل سياق يتسم بالتحديات الاقتصادية والاجتماعية والسياسية.

المنهجية: تم اعتماد منهج كمي ذو طابع مقطعي، من خلال توزيع استبانات منظمة على موظفي شركات التأمين العاملة في الضفة الغربية. وقد استخدمت مقاييس معتمدة لقياس المكافآت الجوهرية وغير الجوهرية، والتوازن بين العمل والحياة، وإبداع الموظف. وتم تحليل البيانات باستخدام الإحصاءات الوصفية، واختبارات الموثوقية، وتحليل الارتباط، ونمذجة المعادلات الهيكلية (SEM) لاختبار العلاقات المباشرة والوسيلة بين المتغيرات.

النتائج: أظهرت النتائج أن كلاً من المكافآت الجوهرية وغير الجوهرية تؤثران بشكل كبير على إبداع الموظف. كما تبين أن التوازن بين العمل والحياة يلعب دوراً وسيطاً مهماً في العلاقة بين إدارة المكافآت والإبداع. وقد كان تأثير المكافآت الجوهرية على الإبداع أقوى عند وجود توازن جيد بين العمل والحياة، مما يؤكد أهمية الحوافز النفسية وبيئات العمل المتوازنة في تعزيز الإبداع الوظيفي.

القيمة/الأصالة: تُسلط هذه الدراسة الضوء على كيفية إسهام إدارة المكافآت، بجانبها الجوهرية وغير الجوهرية، في تعزيز إبداع الموظفين من خلال الدور الوسيط للتوازن بين العمل والحياة. وتقدم مساهمة نوعية موجهة لخصوصية قطاع التأمين الفلسطيني، مع التأكيد على أهمية تصميم أنظمة مكافآت متوازنة تدعم الإبداع ضمن بيئات العمل.

الكلمات المفتاحية: إدارة المكافآت، إبداع الموظف، التوازن بين العمل والحياة، قطاع التأمين الفلسطيني.