COMMUNICATION MODEL TO PROMOTE THE PERCEPTION OF INNOVATION IN BUSINESS ORGANIZATIONS

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Abstract

The article examines the essential connection between communication and innovation in Bulgarian business. Based on a survey of 300 managers and owners of companies that implement innovations. Conclusions were made related to the perception of the communication aspect of innovation processes and activities, resulting in creating a communication model to facilitate the perception of innovation by visualizing the links between stakeholders, the organization, its environment and interactive communications.

Keywords: *innovation, corporate communication, stakeholders, communication model*

1. INTRODUCTION

1.1. Innovation

The goal of any company is value creation. From the point of view of resource-based theory, innovation is understood as the most essential for value creation and sustainable competitive advantage [1].

Innovation is associated with change and creativity [2] [3]. Crossan and Apaydin [2] propose the following definition of innovation: "production or adoption, assimilation, and exploitation of a value-added novelty in economic and social spheres; renewal and enlargement of products, services, and markets; development of new methods of production; and establishment of new management systems. It is both a process and an outcome".

Innovation, understood as a unique source of competitive advantage, is defined as product, process, marketing, strategy and behavioural. It has incremental and radical aspects). Innovation requires openness and willingness to interact with the company's key stakeholders, which indicates the close link between innovation and corporate culture, also defined as a culture of innovation. Innovation is also linked to knowledge management [4].

The ability of companies to generate knowledge during the innovation process can be identified as a critical source of competitive advantage. Many companies also involve external stakeholders in creating and exchanging knowledge during innovation processes [5]. There are various examples in the management literature of how companies involve their stakeholders (specifically external ones) in innovation processes. Inclusion is achieved through various mechanisms of interaction and competitiveness. They are encouraged to offer ideas for new product design, create additional opportunities, and solve problems related to research [6].

The innovation process results from various sources of knowledge realized through interactions between diverse stakeholder groups. These sources come from the company's human capital, customers, suppliers, strategic partners, competitors. Companies must constantly scan the environment to find access to new knowledge through new sources inside and outside.

The ability of companies to successfully manage knowledge helps to achieve competitive advantage and increases financial performance [7]. Various studies have shown that innovation benefits significantly from access to various knowledge sources [8]. They showed how knowledge is shared and how it can retain this knowledge from competitors. Mentioned suggests that companies must constantly strive to generate knowledge by integrating external, new knowledge from various sources.

The more substantial access a company has to sources of knowledge, the more innovative it is. The acquired knowledge should complement the existing one in the organization [9]. The company's ability to integrate the new with existing knowledge has a positive effect on its problem-solving capabilities, organizational learning, absorption capacity, launching new products., managing innovation processes. Access to various sources, providing relevant and valuable knowledge, is conducive to innovation [10].

1.2. Open innovation

The concept of open innovation is increasingly relevant in connection with the growing turbulence and uncertainty of the business environment, which requires constant search and application of new approaches to adaptation and competition through active interactions with customers, suppliers, consumers, research organizations, competitors. Open innovation is the ability of organizations to overcome their limitations and adopt knowledge and technology from their environment [11]; [12]. Applying the concept of open innovation is the constant change and dynamics of the business environment and the inability of companies to carry out internal research and development with the same success they would have in using external knowledge.

Interest in the results of open innovation has continued to grow since the Chesbrough [11] concept. In increasing globalization, organizations rely on external knowledge as a source of competitive advantage. Many researchers focus on the rationale for open innovation processes [13]; [14], but this research is mainly aimed at large companies. A study on open innovation about small and medium-sized enterprises (SMEs) is essential. The SMEs rely on external expertise to overcome size constraints. Open innovation depends on the effective management of the relationships between those involved in the process [15].

Open innovation is a dynamic process, and stakeholders may be engaged or stop cooperating at any stage. The commitment of external stakeholders is the essential difference between open and traditional innovation. Graham [16] argues that the perceptions of internal stakeholders related to external pressure are important because they lead to certain behaviours, i.e. the strategies introduced by the companies reflect the perspective of domestic stakeholders. The smaller a company is, the more it depends on interactions, so it is essential to focus on all groups of stakeholders in implementing open innovation.

Companies that carry out processes related to open innovation are much more open to communication and the creation and maintenance of various relationships; they are engaged with their external stakeholders. They innovate more successfully to meet market trends customer needs and, in many cases, redefine them.

The mechanisms supporting the innovation processes are strategic alliances, joint ventures, open-source platforms, participation in diverse, specialized professional communities. Open innovation is also associated with the implementation of an available strategy. The latter is related to creating and implementing various policies due to the interaction between internal and external expertise.

The theory of innovation networks can also shed light on the possibilities for integrating diverse groups of stakeholders during innovation processes. In many sectors, the locus of innovation is not in themselves but their networks. Innovation networks combine different resources, knowledge and opportunities, which are often not only possible through market transactions. This combination becomes extremely important in the growing complexity of new products and services. Various studies indicate that the lead company is critical in "orchestrating" the interactions between partners, but this requires a specific set of skills. Managing the innovation network should help increase innovation and overall performance. In the context of modern conditions, the sources of innovation vary. These include customers, suppliers, different organizations, interest groups, all of whom could be involved in the innovation process and contribute to value co-creation [17]. To this end, it is necessary to maintain trust between the leading company and other participants in the network [17]. The various stakeholder groups are active, empowered actors in the network run by the leading company during the innovation process. These diverse stakeholder groups have different goals, needs

and communication techniques. Mentioned shows the lack for companies to reconstruct their capabilities and create new strategies for specific networks.

Alliance governance opportunities are a key condition for knowledge transfer. Defining the possibilities for managing value co-creation is not enough; it is necessary to respond to the challenge of involving certain groups of stakeholders.

1.3. Communication for innovation

Communications are at the heart of the organization; without them, their existence is impossible. The organization's communications are subdivided into internal and external, including the communication practices of management [18]. Current trends in the development of communication science and related research emphasize the importance of the integration of the organization's communications, requiring harmony in the messages sent inside and outside the conditional boundaries of the organization - i.e. the division between internal and external communications no longer exists [19]; [20].

Stakeholder theory is central to the good governance of corporate communications. The role of communication is to connect diverse stakeholder groups to allow organizations to achieve their strategic goals.

About innovation, it should note that communication must reveal the company's ability to create value. The importance of communication is presented to all organization stakeholders, and needs to be met through innovation are usually justified by stakeholders through contact [3].

Through communication with internal stakeholders, it is necessary to emphasize the understanding of the innovation by presenting its essence and meaning, encouraging support for it, and approving the desire to implement it and the motivation for sustainable attitudes to innovation.

About external stakeholders, it is necessary to present the company's innovative image and its innovative discoveries, which should be perceived as beneficial for customers, suppliers, partners, and society as a whole.

There is a significant link between internal communication and organizational change management [18]. Innovation projects include uncertainty and adaptability, risks, positives, assumptions and assumptions. Therefore, must carefully plan communication on implementing innovative projects to encourage the process.

Internal communication helps to increase competitive performance by increasing satisfaction, strengthening the processes of involvement in the organization's affairs and strengthening the commitment to it. They are necessary prerequisites for identification with the organization and stability of organizational identity.

Weak communication policy about innovation projects can increase stress, resistance to change that will occur in connection with the implementation and subsequent introduction of innovation and reduce competitiveness. In the context of what has been said, communication for innovation requires interactivity and constant feedback.

External organizational communication, as mentioned, is understood as communication with external stakeholder groups - customers, suppliers, media, competitors and is associated with the management of corporate brand, identity, image and corporate reputation, which is successful only when given equal importance of internal and external communication, i.e. when an integrated approach is used in the management of communications and the application of the concept of autocommunication [19].

In terms of innovation, external communication helps create and manage an innovative image, maintain trust and minimize uncertainty in contacts between different stakeholder groups and the organization.

It is believed that innovative companies with a good policy for implementing external communications note an increase in sales, increase market niche and show concern for stakeholders and meet their needs.

The traditional understanding is that external communications focus on the organization's environment. The literature notes several mechanisms by which the company can capture information from the external environment - interactions with customers and other external stakeholders, benchmarking and inter-organizational project teams, the various communication channels through which communication and exchange of information and knowledge interactively.

Prahalad and Ramaswamy [21] conclude that "informed, networked, empowered, and active consumers are increasingly co-creating value with the firm". Payne et al. [22] support the thesis that communication is an essential component of a company's ability to manage value co-creation.

Innovation requires constant communication and adaptation between development and production. Therefore, communication is an essential element and determinant of successful innovation and should always be considered in implementing processes related to the introduction and implementation of the invention.

The innovation process includes the stages of perception or generation, introduction and routine, and communication is mandatory at each location [2]; [3]. Initially, the organization initiates an innovation process by adopting new knowledge or generating a new idea, product or service [2]. The need for innovation is determined by external and internal changes in the environment and various social factors [3].

The next phase of innovation processes related to implementation requires effective communication. It is needed to inform, influence, explain and support new practices, facilitate information sharing with stakeholders and manage the various procedures [3]. Following a meta-analysis, Damanpour [23] found that internal communication positively relates to organizational innovation and helps the organization disseminate diverse information. Formal and informal communication enables the organization to redefine employees' perceptions and minimize resistance to change. Once a practice is judged successful, it becomes routine [3].

Many organizations use the so-called unified communications as a service, which are the integration of audio and video conferencing communication between members of the organization/organizations through web-based applications - chats, messenger, mobile phones, etc., which are increasing to cloud technologies.

Innovation in web-based technologies offers members of the organization and other stakeholders a variety of communication channels - blogs, podcasts, wikis, etc. - which increase communication effectiveness.

Social media has become an equal participant as a communication channel for communication in the organization and between the organization and its key stakeholders. Through social sites, blogs, social tagging, bookmark applications, forums, chat rooms, IM supports creating communities / virtual /, facilitating the sharing of information and knowledge.

Social media is also an essential tool for customer relationship management (CRM). With their help, the organization can attract and retain customers much better than through traditional methods (the use of which is not excluded, in combination with social media).

Several studies confirm that social media can support and hinder knowledge sharing [24].

When formulating the policy related to the use of social media, when creating corporate social networking sites, it is good to involve employees in the decision-making process through consultation and providing opportunities for constructive proposals. This process generates trust, and trust is key to any interaction, including digital.

With the advent of new media in the organization's communication, companies' communication models, programs, and policies are changing completely. They become one of the leading "engines" of the commitment of employees to successfully achieve the organization's goals - the second most important of which is the desire for cooperation or motivation to improve existing processes in the organization, which corresponds directly to the initiation and implementation of innovation. Stakeholders feel engaged when they actively communicate with the organization through social and

traditional media and receive adequate feedback. They are active participants in dialogues and debates with the organization and its other key stakeholders.

Communication is key to the smooth running of all processes in the organization. Communication manages the corporate culture and related constructs; it is associated with the successful implementation of innovations in companies.

2. MATERIALS AND METHODS

According to the National Statistical Institute, the sample is representative, compiled based on the number of companies that implement innovations in the Republic of Bulgaria. The profile of the surveyed companies is as follows: several respondents - 300 companies, the owners and managers of the companies were interviewed according to a pre-prepared survey with closed questions. The study was conducted in the period March-April 2020.

In the present study, we present the understanding of the innovation-communication relationship among Bulgarian businesses, emphasising the motivating aspect of the system for implementing internal communications, the options for maintaining the corporate image in public space, partnerships, and co-creation innovative products and services.

The size of the companies is determined according to the European classification - micro enterprises (up to 10 people) - 159 respondents, small (10-49 people) - 92, medium (50-249) - 32, large (over 250 employees) - 5; 12 of the respondents did not answer which group the company they run belongs to. From the demographic profile, we see that the respondents in the survey are mainly representatives of SMEs.

According to the field of activity: 23 respondents are engaged in trade, 67 companies in manufacturing, 90 in the services sector, 15 in the light and processing industries, 14 in mechanical engineering, 14 in energy, 7 in energy and science, and education - 9. 27 participants in the study represented the IT sector. Fourteen of the respondents are engaged in construction, design, engineering. Thirty-four companies have applied for another economic activity.

3. RESULTS

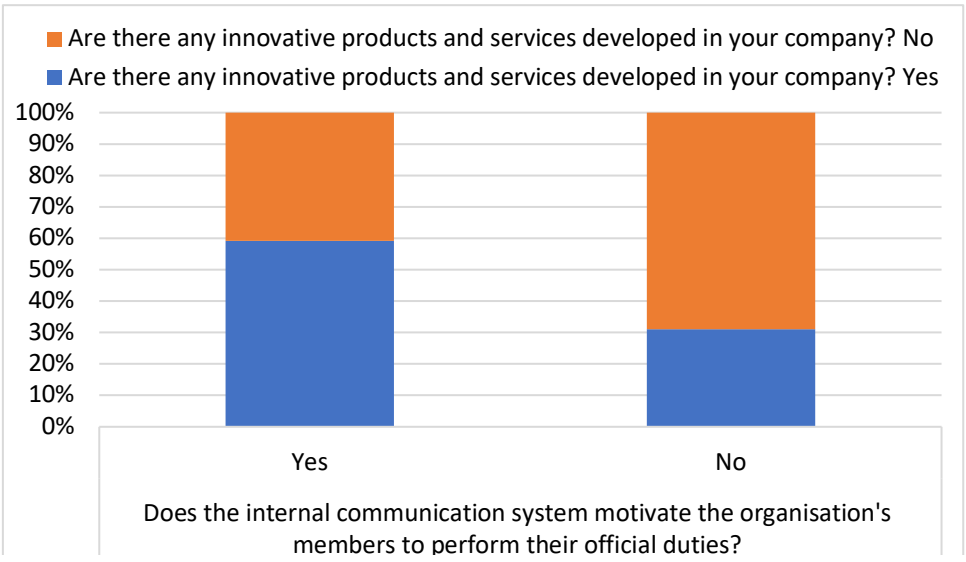


Fig. 1. Are there any innovative products and services developed in your company? Does the internal communication system in your company motivate employees to perform their official duties?

Companies that develop innovative products and services are more supportive of the thesis of the motivating effect of internal communication. From the presented theoretical statements, we can say that communication is an essential element of the innovation process - sharing the necessary information, debating the risks and possible failures, and the benefits of innovation, minimizing resistance and strengthening support for creation.

Communications are essential for understanding the importance of innovation.

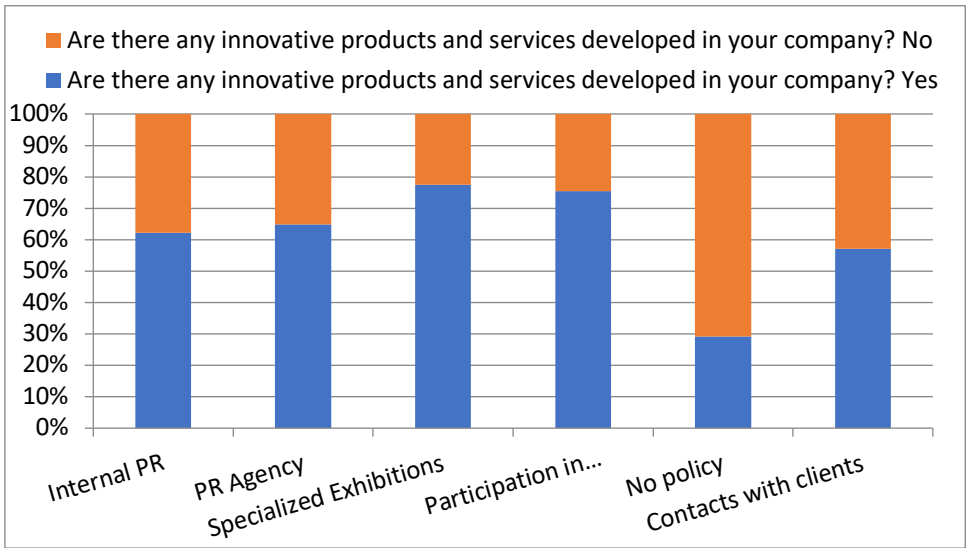


Fig. 2. How do you maintain the image of your company in the public space? Are there any innovative products and services developed in your company?

Respondent companies engaged in developing innovative products and services to a much greater extent implement targeted policies to maintain their corporate image. Companies operating in Bulgaria increasingly realise the importance of professionally executed PR. Society must promote and understand their innovation efforts as valuable and relevant to meeting relevant needs.

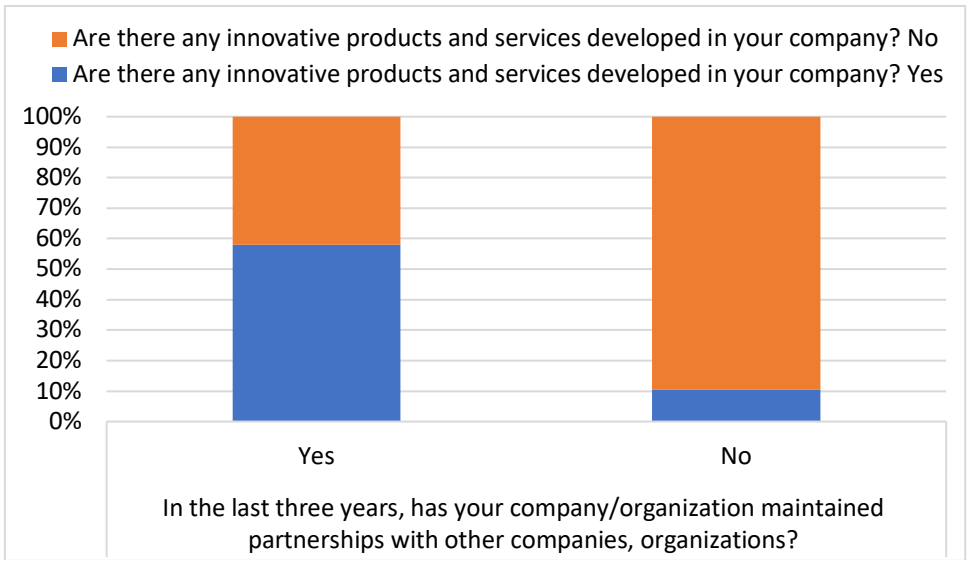


Fig. 3. Are there any innovative products and services developed in your company? Has your company maintained partnerships with other companies in the last three years?

Companies offering innovative products and services are more partners, which shows the connection between exchanging knowledge and information, networking, open innovation, and creative ideas and solutions.



Fig. 4. Are there any innovative products and services developed in your company? Do you ask your partners and clients about the parameters of the new products and services?

Developers of innovative products and services are much more likely to discuss the vision, application, potential risks and benefits with their partners and customers. A small percentage of those do not involve their customers and partners in the communicating innovative ideas.

4. DISCUSSION

From the presented empirical research, we can conclude that the Bulgarian business is aware of the importance of corporate communication for the successful development of the organization and the motivating effect of internal communication on employee behaviour in organizational reality. Based on this conclusion, communication programs support can the perception of innovation. The prerequisite is the investments made in the development of human capital and the care for increasing the satisfaction of the organization members.

The established partnerships are a solid basis for an interactive, ongoing dialogue with stakeholders - internal and external - hence the increase in their commitment to innovation.

What has been said gives us reason to formulate a model that visualizes the possibility of facilitating the perception of innovation through communications.

The main components of the model are the internal and external stakeholders, both inside and outside the very conditional boundaries of the organization because their division can be conditional and can belong to both groups at the same time. Communications are integrated and interactive and promote the understanding, perception and generation of innovations.



Fig. 5. Model

5. CONCLUSIONS

We can confirm that communication and innovation are interconnected and mutually determined. The communicative aspect of the presentation and perception of the idea of innovation is the basis of generation and the successful operation. Mentioned are presumed to be an understanding of the nature and characteristics of a particular organization, the management of the culture of innovation, the interactivity of all communication practices, and the exchange of knowledge between key stakeholder groups.

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