

COMMUNICATION FOR THE IMPORTANCE OF THE CREATION AND INTRODUCTION OF INNOVATION IN BULGARIAN SMALL AND MEDIUM ENTERPRISES

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Abstract: Innovation is becoming an imperative for modern business organizations that want to increase the sustainability of their competitive performance. Communication about the importance of innovation is critical to minimizing stakeholder resistance to innovation endeavors and the perception of the need to implement them. Innovations are also directly related to the partnerships implemented by organizations, corporate culture, and knowledge management. Understanding the importance of professionally executed corporate communications is critical. The communication practices for promoting innovation activity are presented based on an empirical study among 350 Bulgarian enterprises. The study examines how communications are implemented in Bulgarian small and medium-sized enterprises, the innovations they implement, and the relationship of corporate culture with company competitive performance. Relevant conclusions and recommendations have been made.

Key words: corporate culture, innovation, internal communication, integrated marketing communication, motivation, stakeholders.

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Introduction

In the conditions of Industry 4.0, any company that would like to survive and achieve a sustainable competitive advantage must implement and introduce various types of innovation. For this purpose, its

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stakeholders—internal and external—in all the conditionality of this division—must be motivated for their implementation. Communications are at the core of good practices related to the company's innovation actions. The corporate culture managed by the organization is essential for their competent and professional implementation.

1. Innovation

According to Freeman and Soete (1997), an innovation is a new product or process that is improved and commercialized. The invention does not have to be something new; it can be an improved product, service, or process implemented in a new way. Innovations are based on knowledge and are designed to provide answers to the demands and needs of stakeholders. Innovations are classified according to:

1. Purpose – products and processes.
2. Degree of change of radical and incremental.
3. Area of impact – technological and administrative (Bessant & Tidd, 2007). Innovation is closed and open.

Innovation is a strategy that helps companies introduce new and improve existing products and services, improve organizational processes, and give them an edge over competitors. (Lim, et.al., 2010). Organizations create and maintain a competitive advantage through innovation based on knowledge, technological skills, and creativity.

The organization's choice of an innovative strategy is influenced by internal and external factors related to the characteristics of the organization's essence and the business environment in which it operates (Dodgson et al., 2008).

Innovation requires openness and willingness to interact with the company's key stakeholders, which indicates the close relationship between innovation and corporate culture, also defined as a culture of innovation (Dimitrova, 2017).

The ability of companies to generate knowledge during the innovation process can be identified as a critical source of competitive advantage (Bierly et al., 2009). Many companies also involve external stakeholders in creating and exchanging knowledge during innovation processes (Hoyer et al., 2010; Mahr et al., 2014). Inclusion occurs through various interaction and competition mechanisms, encouraging them to propose new product

design ideas, create additional opportunities, and solve research-related problems (Horn & Brem, 2013; Hoyer et al., 2010).

The innovation process results from diverse sources of knowledge realized through the interactions between diverse stakeholder groups. These sources derive from the firm's human capital, customers, suppliers, strategic partners, and competitors (Collins & Clark, 2003). Companies must constantly scan their environment to access new knowledge through new sources inside and outside them.

Companies' capabilities to successfully manage knowledge help achieve competitive advantage (Decarolis & Deeds, 1999; Levinthal & March, 1993) and enhance financial performance (Wiig, 1997). Numerous studies have shown that innovation gains substantial benefits from access to diverse sources of knowledge (Chesbrough & Brunswicker, 2014; Frenz & Ietto-Gillies, 2009), the process by which knowledge is shared and the extent to which they can retain this knowledge from competitors.

Companies must continuously strive to generate knowledge by integrating external, new knowledge from various sources. The more substantial access a firm must have to sources of knowledge, the more innovative it is. The acquired knowledge should complement what exists in the organization (Nonaka, 1994). Companies that engage in strategic alliances acquire new knowledge from and through their partners. This knowledge is integrated into the company's existing one. It can modify it by becoming the company's stock of knowledge (Van Den Bosch, Volberda, & De Boer, 1999), supporting the creation of new mental models, procedures and processes (Galunic & Rodan, 1997; Rodan & Galunic, 2004). The company's ability to integrate new with existing knowledge favourably affects its problem-solving capabilities (Carneiro, 2000), organizational learning, absorptive capacity (Cohen & Levinthal, 1990), the introduction of new products to the market, and the management of innovation processes. Access to diverse sources ensuring relevant and valuable knowledge is conducive to innovation (Dimitrova, 2018).

According to Chesbrough (2003), open innovation is a paradigm through which an organization can use internal and external knowledge to improve its performance. The concept of open innovation is a two-way process in which the combination of internal and external knowledge generates new knowledge.

External knowledge occurs outside the firm's boundaries, resulting from interactions with customers, suppliers, external partners and other stakeholders (Chesbrough, 2003). Managing this knowledge is critical for

businesses. It will only be valuable if incorporated into firms' innovative activities (West & Gallagher, 2006). If there is an increase in internal innovation, the open innovation system will improve. Communication is a critical factor in enhancing employee innovation efforts. Their innovation activity is enhanced through internal and external innovation. Innovative ideas are only generated when internal stakeholders communicate and share. The various communication channels and strategies that managers use to implement internal communication are also important.

Communication is one of the main ways to increase employees' innovative efforts (De Jong & Den Hartog, 2007). In the communication process, ideas are also born and exchanged between employees, which helps promote innovation. Knowledge management must be based on communications.

In the context of SMEs, open innovation is evident from research indicating that companies engaged in open innovation have greater access to ideas, knowledge, and technologies in interactions with stakeholders in their ecosystem (Spithoven et al., 2012; Dimitrova, 2020). Open innovation projects reduce R&D costs, support risk management, and bring innovations to market faster (Chesbrough, 2010).

The smaller a firm is, the more it depends on interactions. Therefore, it is essential to focus on all stakeholder groups in open innovation processes (Darnall & Henriques, 2010)

Companies that implement processes related to open innovation are much more open to communication, creating and maintaining diverse relationships, and engaging with their external stakeholders. They innovate more successfully to meet market trends and customer needs and, in many cases, redefine them.

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

The theory related to innovation networks can also illuminate the possibilities of integrating diverse stakeholder groups during innovation processes. In many sectors, the locus of innovation is not in themselves but in the networks in which they participate (Ritter & Gemünden, 2003). Innovation networks combine resources, knowledge, and capabilities (Perks & Moxey, 2011; Ritter & Gemunden, 2003) that are often impossible

through market transactions alone. This combination becomes extremely important in the increasing complexity of new products and services (Pullen et al., 2012).

2. Corporate culture

Theorists and practitioners dealing with the issue of corporate culture cannot unite around a single definition of its essence, which in turn highlights the diversity of the construct and its effects on the organisational essence. The diversity of definitions of corporate culture is associated with the different perspectives through which it is studied.

One definition of corporate culture is "a general constellation of beliefs, norms, value systems, behavioral norms and ways of doing business that is unique to each corporation" (Tunstall, 1983). Corporate culture is inextricably linked with strategy, and the organization's structure is mutually determined with leadership.

The research literature has revealed multidirectional approaches and paradigms for the evolution and study of the construct of corporate culture (Smircich, 1983; Martin, 1992; Martin & Frost, 2011). Various models have also been developed to explain the complex nature of the construct. Some of these are Schein (1992), Cameron and Quinn (1999, 2011), Denison (1984, 1990), Denison and Mishra (1995), Fey and Denison (2003), Denison et al. (2004, 2006, 2012), and Johnson and Scholes (1999), among others. The variety of theoretical concepts and empirical studies based on them show us the different dimensions of corporate culture and the efforts required to study and measure it.

Corporate culture is also considered to be strong, weak, or adaptive. According to Kotter and Heskett (1992), the most suitable culture for the successful development of a company is an adaptive corporate culture, one that encourages and enhances innovation, thereby supporting its competitive performance in a dynamic business environment. This type of culture can also be defined as "learning" because it enables the organisation to create and implement mechanisms that help it identify and adapt to changes in the business environment, ultimately leveraging these changes to achieve new levels of competitiveness and sustainability. Adaptive culture requires the presence of communication facilitated by the hierarchical constraints of the organisation's structure, allowing for

continuous interactivity between the organisation's stakeholders and between the organisation and its key stakeholder groups.

Corporate culture is a significant driver of organizational change. While not all organizational change necessarily requires innovation, the introduction of any innovation is a condition for change. Companies with a long-term strategic orientation are more likely to innovate than those with a shorter-term focus.

Corporate culture is a multi-layered construct, the essence of which we will not dwell on in detail in this study. Here, we will emphasize one of the most researched aspects of the domain, namely - its influence on the organization's competitiveness. According to Kotter and Heskett (2011), the organization's adaptability, through its culture, should be promoted precisely to maintain long-term positive financial performance.

Corporate culture is also directly related to innovation (Dimitrova, 2017; Dimitrova, 2018).

Organizations are under constant pressure to compete successfully, and innovation supports them in these efforts. Innovation is a crucial factor in the competitive landscape, as it provides opportunities to respond to the ever-changing demands of customers and contributes to technological development while also increasing the chances of acquisition and positive performance in a highly competitive business environment. Innovation is considered a key factor in implementing change, and corporate culture is an essential condition for the existence and implementation of innovations within a company; in other words, corporate culture is at the heart of innovation.

The research literature presents various studies confirming the positive relationship between corporate culture and company innovation (Hernandez-Mogollon et al., 2010; Dimitrova, 2017, 2018; Graham et al., 2022).

Martins and Terblanche (2003) believe that it is essential to support creativity and innovation in the organisation, enabling employees to understand its vision and mission. If discrepancies arise between these and the reality within the organisation, they should be addressed through the use of creativity and innovation.

The corporate culture managed in the organization predetermines how communications are implemented. In turn, through communications, corporate culture is recreated. Culture is the invisible infrastructure of any organization; therefore, competent communication management supports a

culture of innovation and encourages the actions of organizational members to create and implement innovations.

3. Communications

The organization's communications are divided into internal and external, and management's communication practices are included (Welch & Jackson, 2007; Dimitrova, 2013). Modern trends in the development of communication science and related research emphasize the importance of integrating the organization's communications, requiring harmony in the messages sent inside and outside the conventional boundaries of the organization (Christensen & Cheney, 2001; Quirke, 2012).

Innovation-related processes include creating, adopting, introducing, and subsequent routinization of new products or services, processes, and policies. Each of these stages involves communication related to persuasion and engagement. (Crossan & Apaydin, 2010).

About innovation, it is necessary to note that communication should reveal the company's ability to create value (Payne et al., 2006). Through communications with internal stakeholders, it is necessary to emphasize the understanding of the innovation by presenting its essence and meaning, to encourage support for it, and to positivize the aspiration for its realization, as well as the motivation for the sustainability of the attitudes to implement innovations.

After his meta-analysis, Damanpour (1991) postulated that internal communication positively correlates with organizational innovation and assists the organization in disseminating information related to innovation and its accompanying processes.

Communication with top management is significant because it increases employees' knowledge about the organisation's essence, mission, vision, and goals. It supports identification with the organization and contributes to involvement in the various organizational processes. Multiple studies prove that understanding and support from top management affect the diffusion of knowledge in the organization and promote employee-driven innovation (Lin, 2007).

There is an essential relationship between internal communication and organizational change management (Welch & Jackson, 2007). Innovation projects include uncertainty, adaptability, risks, upsides, assumptions, and guesswork. Therefore, communication about

implementing innovative projects must be carefully planned to encourage the process.

Internal communication enhances competitive performance by increasing satisfaction, strengthening involvement in the organization's affairs, and strengthening commitment to it because these are necessary prerequisites for achieving identification with the organization and stability of organizational identity.

A weak communication policy regarding innovation projects can increase stress and resistance to change that will occur in connection with the implementation and subsequent introduction of innovations and reduce competitiveness. In this context, innovation communication requires interactivity and continuous feedback.

Regarding external stakeholders, it is necessary to present the company's innovative image and discoveries, which are perceived as beneficial for customers, suppliers, partners, and society.

Regarding innovation, external communication supports creating and managing an innovative image, maintaining trust, and minimizing uncertainty when contacting different stakeholder groups and the organization.

Innovative companies with excellent external communication policies are believed to experience increased sales, increased market niches and concern for stakeholders and meeting their needs (Bonn, 2001). However, the above could only be realized with corporate culture and internal communication, which determine organizational behaviour that promotes dialogues and interactions between company members and external stakeholder groups.

The traditional understanding is that external communications are aimed at the environment surrounding the organization. Several mechanisms are noted in the literature through 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 the exchange of information and knowledge are carried out interactively.

SMEs must use communications effectively to facilitate knowledge transfer and to generate innovation. According to Pfeffermann (2011), innovation communication is integral to organizational communication programs. It must include perspectives on creating and co-creating value

and the various management strategies in this context. It must also be constantly analyzed to define new goals, tools, and tactics.

Effective communications help SMEs share value through diverse communication strategies. Successful firms must learn to implement communication strategies to share value, mission statements, and strategies with internal and external stakeholders. Usually, due to resource constraints, SMEs do not employ PR specialists to manage communications. Competent communication management is necessary for the visibility of the company, its products and services in the markets where it carries out its business activities.

4. Integrated Marketing Communications

Integrated marketing communications (IMC) represent the company's ability to plan, manage and implement the programs set out in the corporate brand management strategy (Pham et al., 2017). The philosophy of integrating the elements of the mix lies in the possibility of applying a common strategy for managing the corporate brand and its related product brands and that of the employer. Kamboj et al. (2015) believe that the above leads to an increase in the company's financial performance. The capabilities of integrated marketing communications help companies identify, communicate and serve their target markets, increasing their competitive performance. (Hao & Song, 2016; Takahashi et al., 2016).

Competitive advantage refers to the specific values of the product or service by which the firm outperforms its competitors (Porter, 1990).

Integrated marketing communications dominate and influence companies' communications and their implementation strategies. Social media complement IMC by offering new communication channels and methods for communicating with stakeholders while allowing users to generate content.

Porcu et al. (2019) defined IMC as the stakeholder-oriented interactive process of cross-functional planning and alignment of organizational, analytical, and communication processes that permit continuous discussion by conveying transparent and consistent messages via all media to foster long-term profitable relations that create value.

Integrated marketing communications is at the heart of stakeholder relationship management. Brands respond to competitors, helping to enhance competitive advantage (Dawar, 2004).

Integrated communication consistency allows experts to coordinate multiple structured messaging sources to manage brand identity across all key stakeholder groups.

Innovation requires constant communication and adaptation between development and production (Teece, 1996). Therefore, communication is essential for successful innovation (Srivastava & Moreland, 2012) and should always be considered when implementing processes related to introducing and implementing innovation (Nordfors, 2006; Wells, 2008).

More and more organizations are using Unified Communications as a Service. The innovation in web-based technologies offers both the members of the organization and the other stakeholders' different channels of communication - blogs, podcasts, wikis - through which the effectiveness of communication is increased, the time of information exchange is shortened, it is easier knowledge management, and overall communication effectiveness is positive.

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

Social media is also essential 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 included, combined with social media).

Social media facilitates communication within and outside the organization, creating communities unfettered by hierarchy or bureaucratic procedures. They are handy for exchanging knowledge and quickly obtaining expert opinions on various issues because they are related to the so-called "boundary-spanning" functions—crossing the boundaries, they remove the organization's boundaries, regardless of how conditional they are. The abovementioned factors increase the organization's absorptive capacity and support the generation of new ideas and, thus, innovation.

Communication is vital to the perfect running of all processes in the organization. Through communication, the corporate culture and related constructs are managed and related to the successful adoption and implementation of innovations in companies (Dimitrova, 2018).

5. Empirical Study

The sample is based on the number of companies implementing innovations in Bulgaria. The data is according to the National Statistical Institute (2022).

The profile of the surveyed companies is as follows: the number of respondents - 206 companies, and the owners and managers of the companies were interviewed. The survey is part of the project "Innovation in business and education. Development of a conceptual communication model for innovations in a business-information organizational environment", Fund of Scientific Research, which is headed by the author of this article. The author pre-prepared the closed-question survey. „Sova Harris“, an agency for sociological, political and marketing research, conducted the research from August to September 2023 as an element of the second stage of the aforementioned project. The results were analysed using the statistical package for the social sciences (SPSS).

The size of the companies is determined according to the European classification. The micro enterprises (up to 10 people) - one hundred and two respondents, small (10-49 people) – sixty-three, medium (50-249) - thirty-three, and large (over 250 employees) - seven. From the demographic profile, we see that the respondents in the survey are mainly representatives of small and medium enterprises. By field of activity: Ten of the respondents in the survey are employed in trade – six are from micro-enterprises, two from small and two from medium. Of the companies engaged in manufacturing, twenty-six are micro firms, thirty-one are small, twenty are medium-sized, and four are large. In the services sector, ninety-three respondents from micro firms, thirty-six from small firms, and nine from medium firms are engaged. In the light and processing industries – two are from micro firms, five from small, and four from medium ones. Respondents in mechanical engineering are divided into eight from micro firms, four from small firms, and two from medium-sized firms. In the sphere of energy – seven are from micro firms, one is from medium firms, and one is from large firms. In the processing industry, there are - one micro firm, five small firms, and four medium-sized firms. In science and education – thirty from micro firms, four from small, one from medium and six from large firms. Participants in the survey, which represented the IT sector, included thirteen from micro firms, fifteen from small firms, and two from medium-sized firms. Other respondents are engaged in transport and tourism – two from micro firm, culture – two from a micro firm, ecology – two from micro; media and advertising – four from micro and one from a small firm; communications – two from micro and three from small firms, financial sector – one from a small firm, health – six from micro firms, construction

and design – six from micro and small firms, two from large, and publishing activities – six from micro firms.

Through the presented results, we visualize the relationship between the understanding of the positive influence that corporate culture has on the overall performance of companies and the competitive strategies they implement. The relationship between investments in innovation and the channels for conducting internal communications and the influence of internal communications on the motivation of employees for quality performance of their official duties was examined. The partnerships built by the companies investing in innovation and the applied practices in the context of integrated marketing communications are visualized.

Understanding corporate culture's positive influence on companies' competitive advantages is permanent among Bulgarian businesses. This understanding has been repeatedly confirmed in the author's previous studies (Dimitrova, 2012; Dimitrova, 2017; Dimitrova, 2020). It is necessary to emphasize that the research did not seek an understanding of the essence of the corporate culture construct from the respondents but only the awareness of the positive nature of its relationship with the competitive advantage.

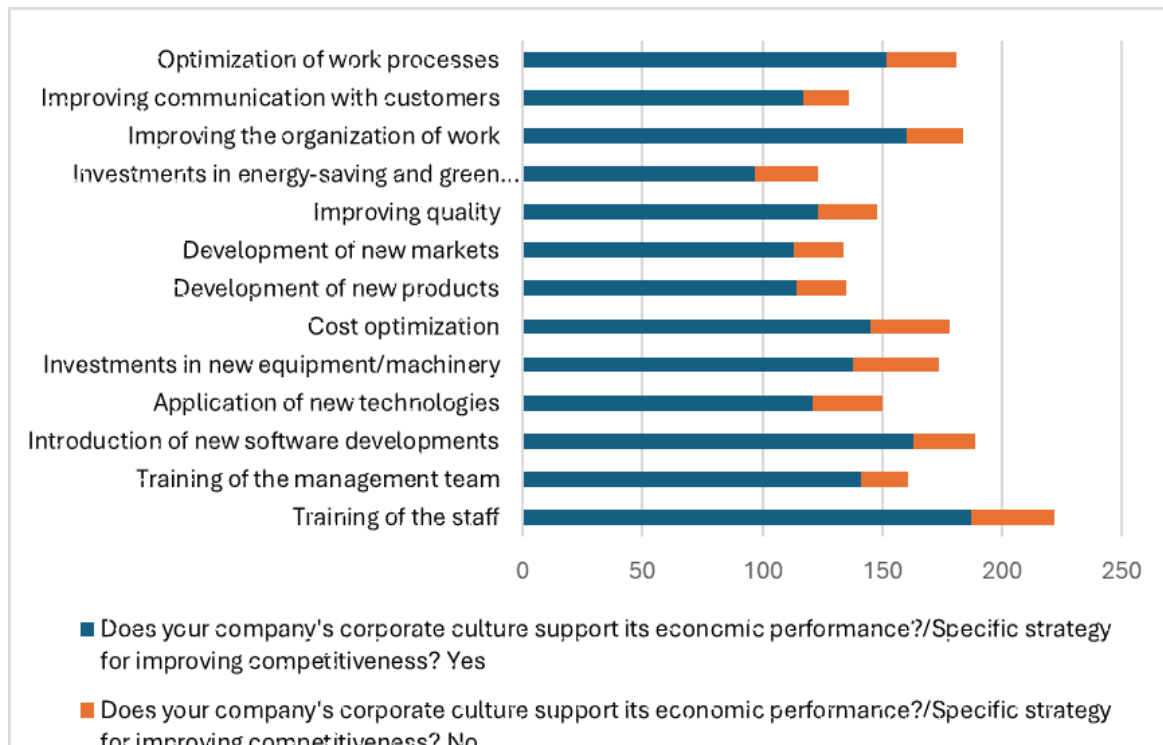


Figure 1. Does your company's corporate culture support its economic performance?/ Specific strategy for improving competitiveness?

The results of the present empirical research are in harmony with the persistently observed, among Bulgarian businesses, understanding of the positive influence that corporate culture has on the competitiveness of companies. Implementing strategies for increasing competitiveness is in harmony with the perception of the importance of corporate culture for improving performance. Corporate culture is the framework in which innovations are implemented; it can contribute to an environment that tolerates creativity and innovation, can also be a barrier to their introduction, and is essential in applying the concept of open innovation. A corporate culture that is tolerant of experimentation, uncertainty, and risk-taking must be managed in organizations. A culture promoting the processes of organizational learning and, accordingly, unlearning "outdated" practices. A corporate culture must support rapid adaptation and a drive to increase competitive performance through innovation.

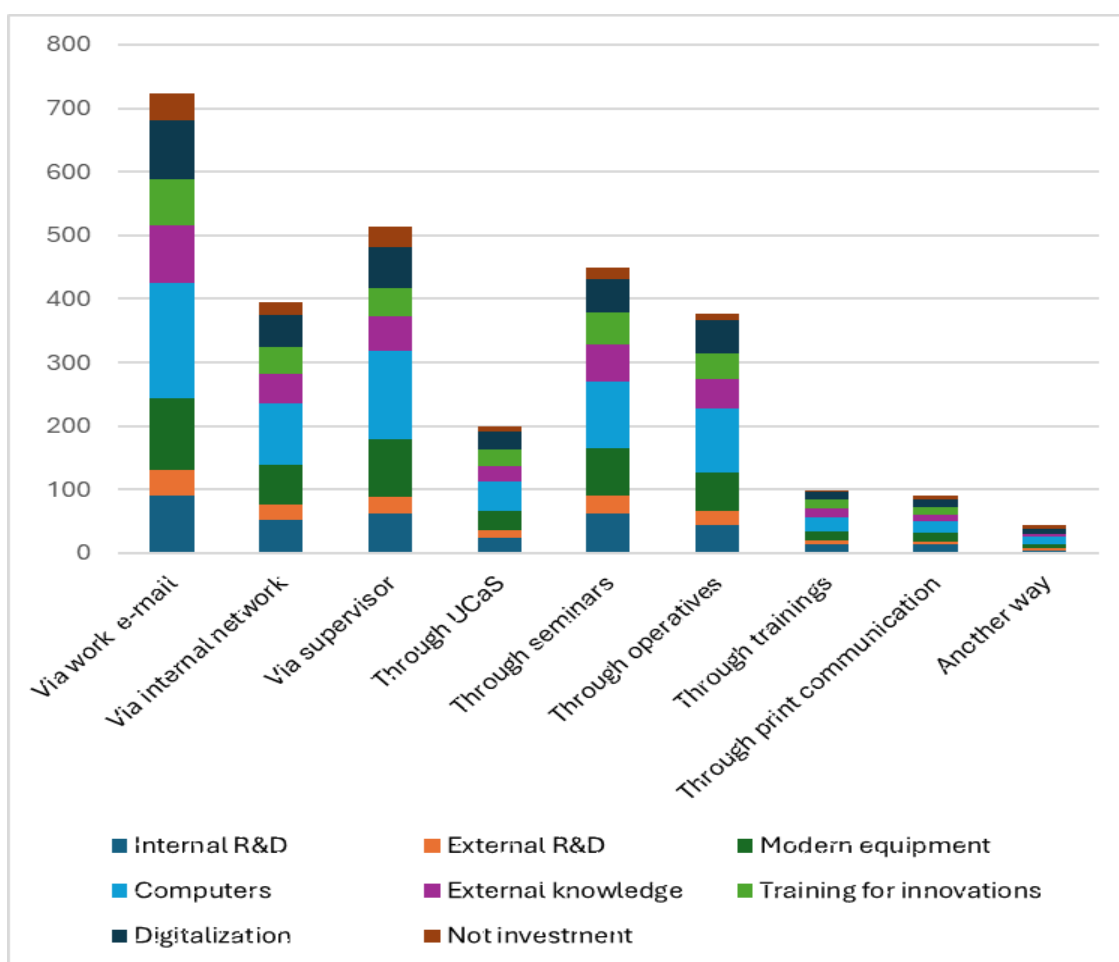


Figure 2. In the last three years, have you invested in:/ How are internal communications carried out in your company?

Respondents who invest in innovation use a variety of channels to implement intra-organizational communication. The main ones used are e-mail, the company's internal network, operatives, seminars, and communication through the direct manager. The use of unified communications as a service is less common.

The widespread use of electronic communication channels – such as e-mail and intranets – is growing due to the development of technology and the possibilities they offer for information dissemination and ease of use (Ruck & Welch, 2012). According to Daft and Lengel (1984), this channel effectively disseminates relevant information that employees can use to generate innovation. According to their theory, face-to-face communication is the most effective communication channel and, in this case, also supports the overall implementation of innovations and related processes.

The structured policy for implementing internal communications is sustainable in Bulgarian SMEs (Dimitrova, 2012; Dimitrova, 2017; Dimitrova, 2020).

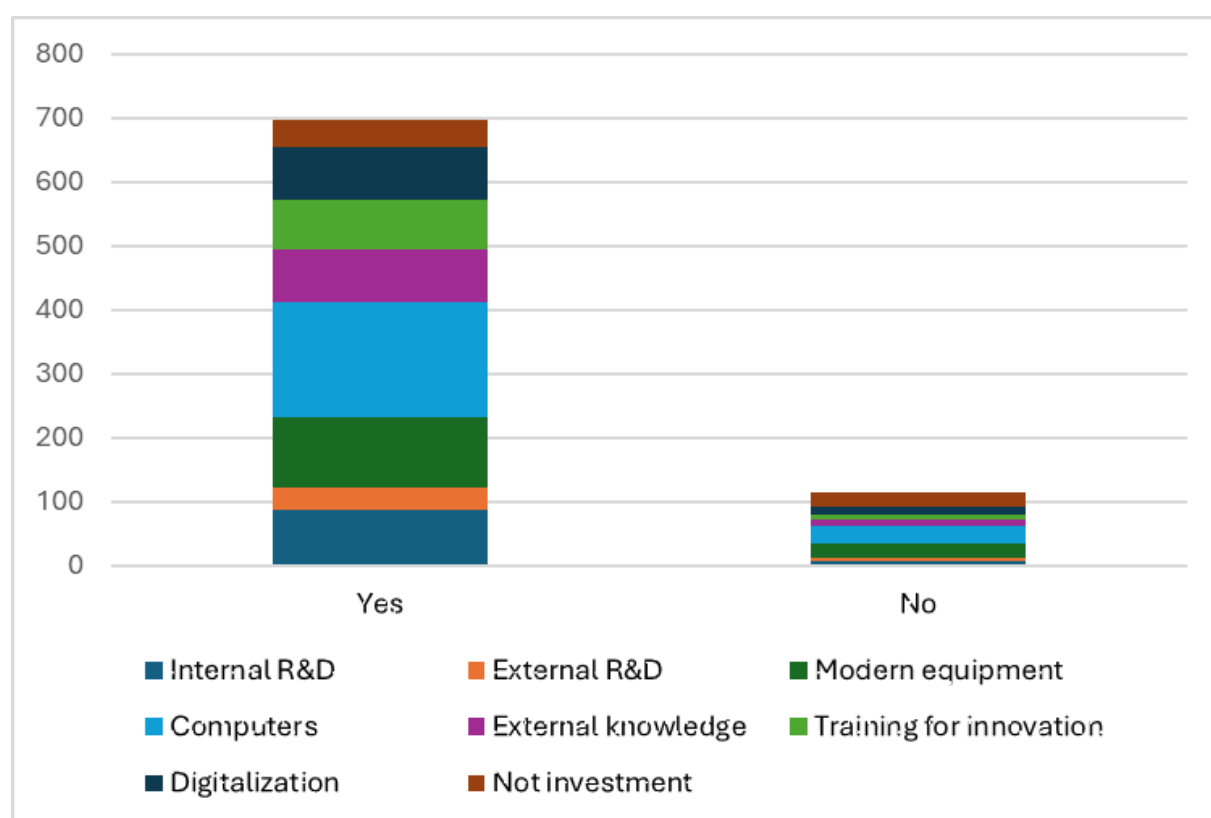


Figure 3. In the last three years, have you invested in:/Does your company's internal communication system motivate employees to fulfil their duties?

Understanding the motivating effect of intra-organizational communication is permanent among Bulgarian businesses (Dimitrova, 2012; Dimitrova, 2013; Dimitrova, 2020). In the present study, we also find that the internal communication system managed by the respondent companies motivates the employees to fulfil their official duties, which shows the consistency of the communication policy. According to the respondents' answers, we can conclude that the importance of a competently managed and accordingly conducted internal communication policy is realized to encourage the actions of the employees in the context of the adequate performance of work tasks, including the overall implementation of the processes in the organization related to the creation and introduction of innovations.

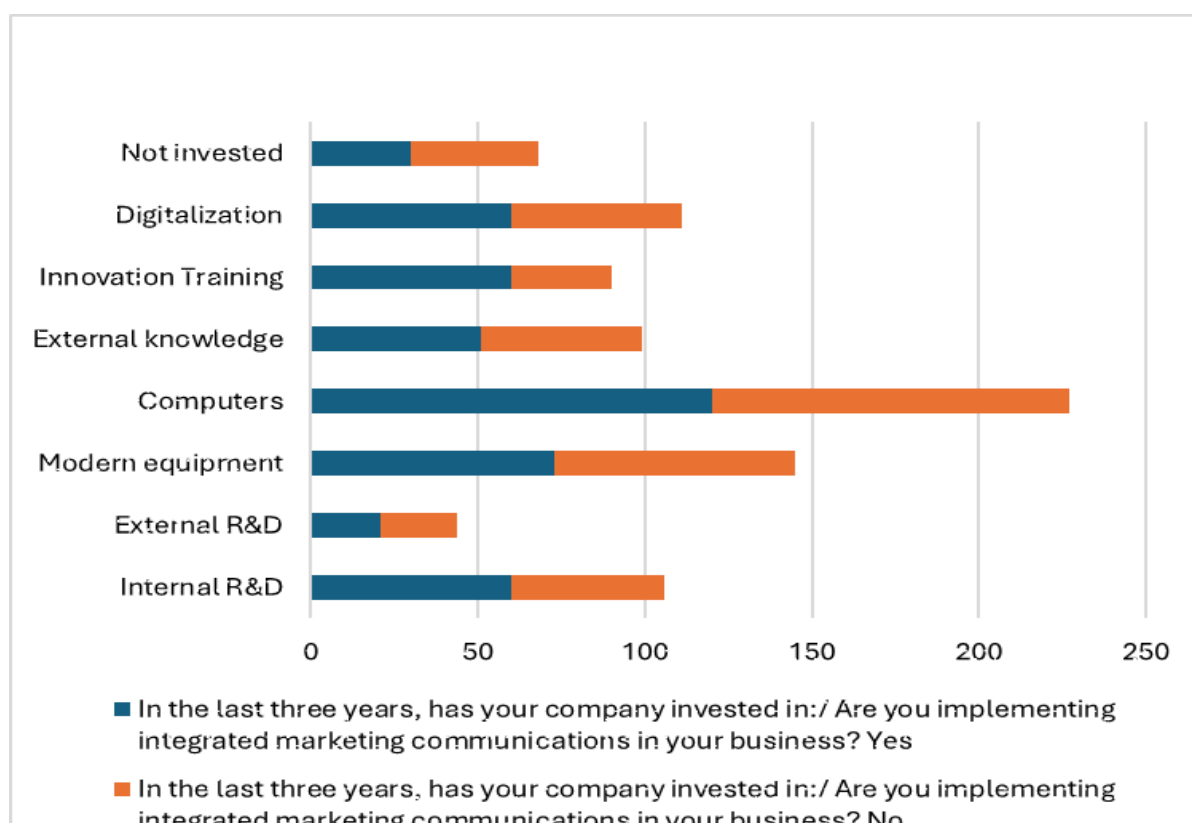


Figure 4. In the last three years, your company has invested in:/ Are you implementing integrated marketing communications in your business?

Integrated marketing communications are yet to be widespread among SMEs operating in Bulgaria. An explanation can be sought in resource limitations; not all enterprises have the budget to include a PR specialist, marketers, and other communication specialists in their structure.

SMEs need to realize the positive effects of introducing IMC for the overall management of the corporate brand and the related brands of the products and services to maintain a positive image of companies dedicated to implementing innovations in front of all their key stakeholders.

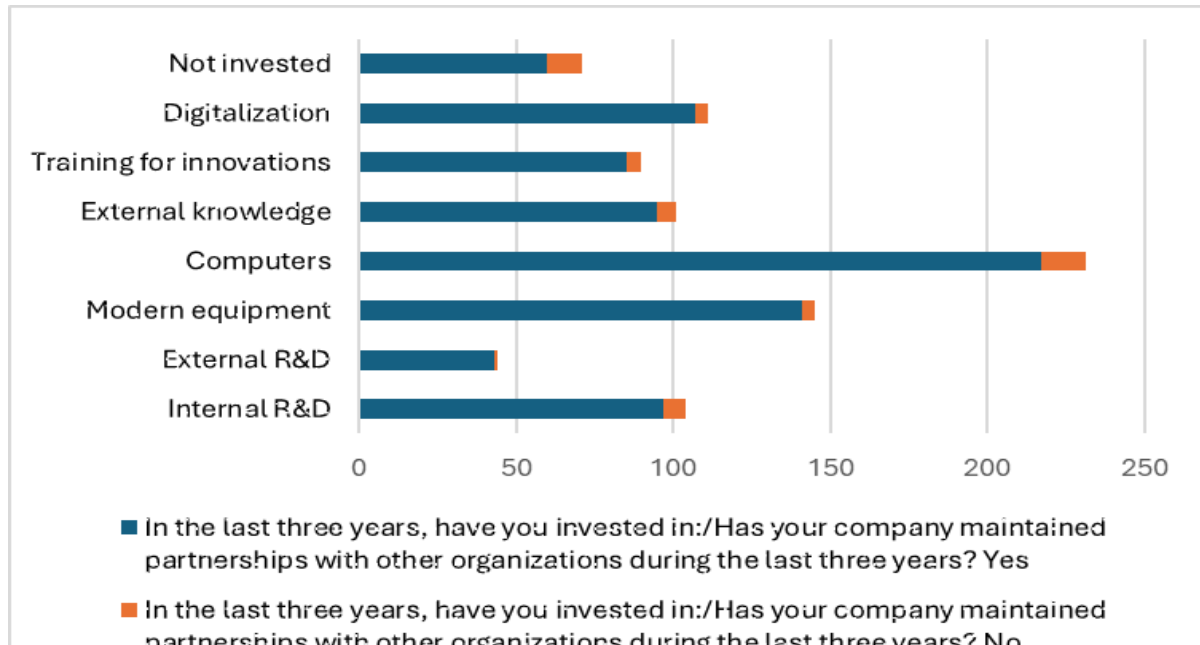


Figure 5. In the last three years, have you invested in:/Has your company maintained partnerships with other organizations for the last three years?

Most of the respondents in the study maintain various types of partner relationships, which indicates the realization of collaborations between organizations of different sizes and spheres of activity. Partnerships support both the use of external knowledge and the development and improvement of internal expertise. The respondents who invest in external research and development activity are the ones who, to the most minor extent, indicate that they do not implement partnerships. The diverse partnerships they develop are critical for small and medium-sized enterprises because they help overcome resource constraints.

Discussion

The results of the empirical research show that Bulgarian businesses realize the importance of a competently implemented internal communication policy. Communication for innovation is successful when

employees are motivated to initiate and introduce innovative products, services, and processes. It is said with the presumption that organizations use a variety of channels to communicate with internal stakeholders. Awareness of the importance of competently planned and accordingly implemented internal communication is also permanently observed among Bulgarian businesses (Dimitrova, 2013; Dimitrova, 2017; Dimitrova, 2020).

The communication policy can be optimized through the broader use of social networks and unified communications as a service, which are less prevalent at this stage.

The results of the empirical research show that in some respondent organizations, employees are trained in innovations. These trainings would also be an excellent opportunity to apply creative approaches, such as different types of brainstorming, the Six Thinking Hats method, and other courses offered by lateral thinking.

A good opportunity is using social media to exchange knowledge between different stakeholder groups of companies, which will facilitate crowdsourcing, the generation of new ideas and projects, and the inclusion of all stakeholders in value co-creation processes. In this regard, the importance of creating diverse partnerships with organizations of different natures and essences, which are at the core of innovation networks, has been realized.

The development of communication technologies is also linked to managing open innovations and their associated strategies. In addition to reaching different stakeholder groups, they also help to overcome various communication barriers that are part of the complexity of communication processes.

Integrated marketing communications still need to be used more among Bulgarian SMEs. Their investment will pay off because, when managed professionally, they work with a common strategy and an expected budget to maintain the brand. One of the types of innovation is precisely in marketing. Respondent companies can develop programs in the spirit of guerilla marketing, BTL marketing, ambient marketing, and others in the context of creativity rather than the investment of severe material resources, given that SMEs are much more often resource-constrained compared to large companies. Through marketing innovations and other components of the IMC toolkit, processes, products and services will be managed more effectively and efficiently.

Conclusion

It is essential for the success of any communication program that the company's management understands the importance of communication for its competent implementation. Innovation is a multi-stage process, and effective communication must accompany it from initiation to implementation and subsequent adoption. To understand the need for competently constructed and effectively implemented communication programs that support the adoption and implementation of innovations, it is necessary to adopt and manage a culture of innovation. The culture of innovation fosters innovative behaviour among the organization's members. It guides employees in adopting innovation as a core value within the organisation and encourages their commitment to this value. The creation and implementation of innovations are directly related to enhancing the competitive advantages of organisations, as well as to fostering a corporate culture. Innovation and corporate culture are also closely linked to change. The more actively companies engage in their innovation efforts, the more they will implement effective changes that enhance their competitive advantages. Culture is "transmitted" through communications, and the implementation of communications is directly dependent on the culture existing in the organization. Therefore, the flow of communications within and beyond the conventional boundaries of organizations should be facilitated as much as possible. Communications must be transparent, support employee empowerment, and engage other key stakeholder groups in value co-creation processes that are directly related to innovation.

The difficulties associated with assessing the various aspects of the communication process that affect the successful implementation of innovations should also be noted. In the context of the above, it is important to take into account characteristics such as the size of the company, the degree of intensity of research and development activities, the tendency to acquire external knowledge, the conduct of various pieces of training related to innovations; the demographic characteristics of employees, the experience of staff in the field of innovations should also be taken into account by researchers. It is also necessary to consider the partnerships implemented by the organisation, as well as interactions, dialogues and debates with and between different stakeholder groups, feedback and accountability, and the possibility of joint decision-making and problem-solving related to innovation efforts.

Small and medium-sized enterprises are the backbone of the modern economy. As we have seen, they prevail in the Bulgarian business reality. In principle, this type of enterprise is more flexible and adaptable in responding to changes in the turbulent environment. With the help of the different kinds of innovation they implement, they can overcome the limitations in front of them and achieve new levels of competitive performance. It is essential to realize the benefits of having diverse partnerships and collaborations in innovation networks, supporting the sharing and management of knowledge, facilitating organizational learning, creating and implementing innovations and the absorption of resources dedicated to innovation-related activities. In the context of the above, essential collaborations are those between small and medium-sized enterprises, universities, and various research institutes and centres. Through such collaborations, all participants have shared access to new technologies, information, knowledge, resources and opportunities to solve problems, overcome risks, and acquire new skills.

The above-mentioned can be fully implemented in an environment shaped by a culture of innovation and relevant communication policies, supporting the smooth running of all organizational processes and procedures.

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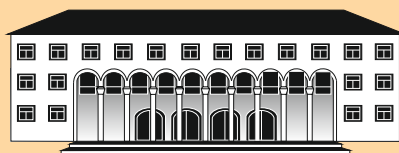
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