Internal communication as a strategic area for innovation through change management and organizational happiness

La comunicación interna como área estratégica para la innovación a través de la gestión del cambio y la felicidad organizacional

A comunicação interna como área estratégica para a inovação por meio da gestão da mudança e felicidade organizacional

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1. INTRODUCTION

Innovation has become a permanent imperative for organizations in today’s market that is characterized by being globalized, highly dynamic, competitive and homogeneous, in which products and services are relatively easy to replicate. Along with creativity, innovation contributes to the survival and long-term competitiveness of companies (Colakoglu et al., 2019), which are forced to develop strategies to enhance them.

Abstract
This academic research approached innovation from different perspectives, as it is an essential phenomenon for long-term business survival. Its link with innovation, corporate culture and the influence that organizational happiness can have on them was examined from the internal communication approach. The results indicate that it constitutes an essential strategic directive area for the innovative ecosystem by influencing the identification, loyalty, creativity, productivity, well-being and happiness of the workforce, the transmission of knowledge and legitimation of leadership. The practical implications are valuable in associating effective internal communication management with superior innovation performance.

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In this continuous process, the organizational culture plays a crucial role in ensuring the cohesion of internal audiences and their full understanding of both the objectives of the brand and the constant need for adaptation to which they are subjected. Internal communication (IC) is responsible for aligning the objectives of the employees with those of the brand so that it is possible to create a strong company culture (Verčič et al., 2012).

2. OBJECTIVES AND METHODOLOGY

The object of study of this research focuses on the processes and contexts that can favor innovation within the entities (Boer & During, 2001; Danneels, 2004). The purpose is to examine the link between innovation and IC in organizations through the role they play in creating corporate culture. For this, the relevant factors that contribute to its creation were explored, especially the management of change and the happiness of the workforce, as well as the possible implications that may arise from these elements for internal audiences. The general objective is to determine if there is a relationship between the innovation capacity of an organization and the management of its communication with internal audiences. To achieve this, the following secondary objectives were established:

- Explain the concept and scope of internal communication in organizations.
- Analyze the importance of internal culture and organizational climate as factors that favor innovation.
- Determine if there are links between the happiness of the employees of an entity and their capacity for innovation.

This review article (Day, 2005) collects the different theoretical perspectives and previous works that have addressed the importance of managing internal communication, happiness and well-being in organizations and puts them in relation to those others that have deepened under conditions that promote innovation. Through the compilation and documentary review of more than 250 academic publications, a critical analysis was developed paying attention to aspects such as the scope of the study, the methodology used, the relevance obtained or the novel contributions to assess the results and conclusions that they raise. Thus, this study was developed from the perspective of internal public relations and its relationship with innovation. Definitions of relevant concepts such as organizational change, corporate culture, well-being or happiness were also incorporated.

This work aims to contribute to the existing literature by providing an unusual perspective from a theoretical point of view since, despite its importance for organizations, research on IC and innovation is relatively scarce.

3. INNOVATION IN THE CURRENT CONTEXT

Technological advances and the transformation of the world of work that is heading towards Industry 4.0 have caused an acceleration in economic and social changes (Castellanos & Escoott, 2020) that make innovation essential, since it makes a difference in terms of the survival of a company in the long run. While it is true that information and communication technologies have led to digital transformation, facilitating new business models and boosting various sectors (Riemke-Gurzki, 2017), they have also posed a great challenge for companies in terms of its adaptation and digitization.
Innovation is a complex process that allows companies to survive in the long term by reinventing themselves to maintain their competitiveness (Fierro et al., 2017) and that can be applied to products, ideas, systems or ways of operating (Pinchot, 1999, as cited in Garzón & Ibarra, 2013). In terms of Drucker (1986, p.3) “it is the means through which the entrepreneur creates new wealth-generating resources or endows existing resources with greater potential to create it”.

According to the Green Paper on Innovation of the European Commission (European Union, 1995, p.4) innovation is understood “as a synonym of producing, assimilating and successfully exploiting a novelty, in the economic and social spheres, in a way that contributes unprecedented solutions to problems and thus allow us to respond to the needs of people and society”.

Sánchez et al. (as cited in Cilleruelo, 2007, p.94), in their analysis of definitions of the concept elaborated by authors such as Gee, Pavón, Goodman, Nelson, Machado, Hidalgo or Perrin, define innovation as:

The original successful result applicable to any area of society, which involves a non-incremental quantum leap, and is the result of the execution of a non-deterministic process that begins with an idea and evolves through different stages; generation of knowledge, invention, industrialization and commercialization, and that is supported by a favorable organizational paradigm, in which technology plays a leading role, and the social context in which investment in knowledge creation is valued as a necessary condition. (p.94)

The phenomena linked to it are ambiguous and intangible (Colakoglu et al., 2019) and constitute a great challenge for organizations since they must develop a culture of innovation (Viki et al., 2017) that makes them evolve while managing their current business. Along these lines, Rao and Weintraub establish six dynamically linked aspects that they call “The Six Building Blocks of an Innovative Culture” (2013, p.30) that break down into: resources, processes, values, behavior, climate and success.

In addition, internal audiences are one of the main stakeholders (Freeman, 1984) of organizations and employees are one of the most important sources of innovation (Linke & Zerfaß, 2011), since their ideas can contribute to developing it while becoming a benefit for them (Dedhanov et al., 2017, p.234).

In this sense, many brands have implemented reconfiguration strategies of their organization to orient themselves towards innovative approaches. However, the Academy has also worked with the aim of understanding in depth the complexity of this process and to provide resources and tools that enhance its implementation.

Research on innovation, although it is an area with an established path (Quinn, 1985; Tushman & Nadler, 1986; West & Farr, 1989), has been approached in recent times from a multidisciplinary perspective, highlighting the approaches of areas such as business management, technology, human resources or economy. General aspects have been studied, such as the legitimacy of new ventures (Kuratko et al., 2017), the influence of organizational routines on innovation (Lin et al., 2020) or the effects of use in the supply chain of the 9000 quality management system of the International Organization for Standardization (ISO) (Shi et al., 2019).

Specific fields have also been taken into account such as the public sector (Aher and Luoma-Aho,
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2017), journalistic organizations (Valero-Pastor & Carvajal, 2019), the creative industry linked to small and medium-sized companies in the tourism sector (Prima et al., 2020), the banking sector (Aboramadan et al., 2019), the effects of the knowledge and information society on educational technological innovation (Pérez et al., 2018) or the effects of variables such as the expenses of R&D, R&D personnel, subsidies or characteristics of enterprises in the results of technological innovation in different high-tech industries in China (Zhu et al., 2019).

In the same way, the aspects that were studied range from the microenvironment of innovative processes, SMEs (Hernández-Palma et al., 2016) and microenterprises (Pérez, 2019) or the influence of organizational identity in family businesses (Szymanska et al., 2019) to studies on innovation and organizational culture in specific regions, such as the one carried out by Rueda-Barrios et al. (2018) in the Valencian Community.

The wide and varied scientific production around innovation accounts for the interest that the field arouses in the current context, which is not limited to its practical management by the business and productive group.

4. MANAGEMENT OF INNOVATION IN ORGANIZATIONS

Innovation must always be aligned with the strategic objectives of organizations. However, there is no single model to manage it due to the large number of internal and external actors that interact in the specific case of each organization (Luna, 2016). Drucker considers innovation as a corporate function that must be managed and proposes that it can occur regardless of the age or size of an organization, since the important thing is that at the center of the activity that it develops is placed “the effort to create intentional and focused change on the economic or social potential of a company” (Drucker, 1986, p.3).

The Oslo Manual, proposed by the Organization for Economic Cooperation and Development (OECD), collects four related types of innovation: product, process, organization and marketing (Fierro et al., 2017). Manufacturing flexibility has effects on product innovation when combined with process innovation or organizational innovation (Torres & Augusto, 2019). For its part, innovation in workplace organization and business practices are positively associated with company performance (Phan, 2019). However, innovation in management is complex because it is related at the micro level to overcoming consolidated organizational routines and the establishment of new ones (Lin et al., 2017).

Because “human capital is a source of innovation” (Garzón & Ibarra, 2013, p.47), not only procedural and environmental elements converge in the organizational capacity to innovate, but also human aspects, so this capacity is affected by five determinants: leadership, support, communication, culture and learning (Montreuil et al., 2020).

Kuratko et al. (2014) recognize the difficulty of most companies to apply innovation successfully and point out four key issues that influence its success: understanding the type of innovation that is intended, coordinate management functions, apply operational controls effectively, and properly train and prepare employees.

In this way, the participation of workers promotes innovation and competitiveness (Ruck et al., 2017) and external knowledge contributed by other actors such as suppliers, clients, consultants and commercial laboratories is
also important in new innovation practices in the workplace (Simao & Franco, 2018). “New knowledge, new skills, and new perspectives that reside in human capital are of crucial importance for radical innovation” (Nguyen, 2018, p.149). In addition, performance measurement positively affects the innovation capacity of organizations (Saunila et al., 2014).

For Dedahanov et al. (2017), innovative behavior mediates the links between centralization, formalization and the performance of organizational innovation, although in turn the relationship between the capacity of information technology and the performance of open innovation is affected by absorption capacity (Wu et al., 2019). Therefore, a creative organizational climate promotes innovations and the resilience of entities (Mafabi et al., 2015), while a good strategy aimed at knowledge exchange is vital (Jack & Lehaney, 2001).

Although there are authors who maintain that it is human resource practices that mediate the ideation process through training and knowledge transmission (Iqbal et al., 2020), general business culture and organizational commitment have a great influence on innovation by internal audiences (Nguyen et al., 2019) and these are linked to IC.

Finally, it is relevant to remember that innovative processes must be developed bearing in mind Corporate Social Responsibility (CSR). In this way, they will become a competitive advantage that is extended to all its stakeholders and that also has a positive impact on society and the environment, and not only on businessmen or shareholders (Canizales, 2020). In addition, IC influences the perception that members of an organization have about CSR (Duthler & Dhanesh, 2018) and an adequate human resources policy allows developing sustainable organizations that achieve participation in the CSR program (Podgorodnichenko et al., 2020).

4.1 THE ROLE OF LEADERS IN INNOVATION

The importance of transformational leadership, compared to authoritarian or transactional leadership that does not work, lies in the fact that being positive, constituting a point of reference, caring about the needs of employees and dedicating resources to their training from a human perspective, not only improves professional development, but promotes positive attitudes at work and improves job happiness (Salas-Vallina et al., 2017).

There is a positive relationship between the transformational leadership of a CEO and product innovation performance through their key role in fostering the culture of innovation and organizational learning (Sattayaraksa & Boonitt, 2018; Zuraik & Kelly, 2019), as well as in their legitimizing role. CEOs who maintain receptive and assertive communication styles positively influence the relationship between the employees and the organization (Men, 2015).

One method to keep the performance level of managers high is to promote their happiness and well-being within organizations (Hosie & Sevastos, 2009), which also has beneficial effects on their subordinates. This is because the displays of happiness of a leader improve the creative performance of his followers, although regardless of the type of task, happy leaders are more effective in global terms (Visser et al., 2013).
5. INTERNAL COMMUNICATION AND THE CULTURE OF INNOVATION

Communication plays an important role in the development of innovation as an intermediary and facilitator of change through its empowerment, making the initiatives of change and innovation survive and increasing the daily communicative exchanges and relationships between the members of the company (Leeuwis & Aarts, 2011).

For Lawson and Samson (2001, p.377) the “innovation capacity” of an entity has seven components: “vision and strategy, use of the competence base, organizational intelligence, creativity and management of ideas, organizational structures and systems, culture and climate, and technology management”. In all of them, internal communication plays an essential role. This is due to the fact that knowledge flows that cross the internal limits of the company contribute decisively to innovative performance (Leendert & Dolfsma, 2015).

This means that communication and knowledge flows positively influence the creation of a work environment that promotes innovation and the receptive attitude of employees towards it, although this is attenuated when production processes are developed by part of outsourced personnel (Ortega-Egea et al., 2014). On the other hand, proper communication management, especially with regard to frequency, positively affects innovation, while it can negatively affect innovation if communication is characterized by great formality (Ebadi & Utterback, 1984).

Internal relationships and trust in them have a positive influence on innovation results and, together with external relationships, are amplified by the advancement of information technology that promotes increased confidence in the performance of new ideas (Cabrilo et al., 2020).

The IC objective related to organizational culture is based on the construction of one’s self-identity, common values, norms, standards, and team spirit (Rogala & Bialowas, 2016, p.70). For Segredo et al. (2017) communication itself constitutes a dimension of the organizational climate and is operationalized through four categories: stimulus to organizational development, contribution to organizational culture, feedback process and communication styles.

It must be taken into account that the internal communication media and the messages issued to the workforce are key to transmitting the philosophy of innovation, so those responsible for IC should aim to guide employees towards their identification in order to address the findings appropriately (Linke & Zerfass, 2011).

IC tools must be combined and adapted to encourage each of the audiences, especially the laggards, to participate in the culture of innovation (Strategic Direction, 2012), since it may be the case that not all are in the same phase of the innovation process or that certain groups advance at different speeds.

In relation to innovation, some of the trends in IC for the coming years consist of the use of new technologies, the development and design of open workspaces that enhance communication flows between the members of the organization and the increase of transparency and
agility through work with leaders (Castro-Martínez & Díaz-Morilla, 2019).

Reciprocity in communication with managers and the transmission of the importance of innovation through internal means are positive elements, while the tensions derived from the obligation in front of the option to innovate or the lack of influence of the employees in the processes limit commitment (Gode et al., 2019).

The physical collaboration spaces also represent organizational support for external innovation and for internal innovation through multifunctional teams, since the relationship between expectations and experiences on these spaces influences the ability of employees to perform a job that can be deteriorated if they perceive the space as a complex and insulating element instead of as a laboratory for creation (Ungureanu et al., 2020).

On the other hand, practices on digital platforms among networked employees and the culture of innovation are elements that contribute to moral, instrumental and relational legitimacy within organizations where, as already mentioned, leadership plays an important role.

For all these reasons, internal communication fosters cohesion, commitment, satisfaction, the feeling of belonging and loyalty of employees (Becker, 2020; Capriotti, 1999; Eaglebarger, 2017; Karanges et al., 2015; Men & Yue, 2019; Raj, 2020; Ramos, 1991; Tiwari & Lenka, 2019; Villafañe, 2000), which affects productivity and performance (Mainardes et al., 2019; Rogala & Bialowas, 2016). In addition, it maintains organizational learning and participation in a way that supports a corporate culture that encourages creativity and innovation (Recalde & Glaría, 2015).

5.1 RELATIONSHIP BETWEEN INTERNAL COMMUNICATION, JOB HAPPINESS AND INNOVATION

Communication “is the basis of a good work environment, which shows that productivity increases as workers feel more satisfied and happier with their tasks in a space dominated by a pleasant interpersonal environment” (Oliván, 2017, p. 1536).

This is because the positive attitude is linked to physical, mental and social health, to the improvement of work performance and social relationships, so that organizations that are capable of promoting happiness within them could improve satisfaction, creativity and productivity of their employees (El-Sholkamy & Fischbach, 2019).

Creative and innovative employees are much more involved with the organization than those who do not appreciate their work (Kamel et al., 2017). Therefore, happiness derived from the work environment is related to creativity and innovation. In fact, for authors like Usai et al. (2020, p. 1229) “happiness, together with creativity, encourages both entrepreneurship and intellectual property”.

Symmetric communication and receptive leadership communication promote a positive emotional culture (Men & Yue, 2019) since IC makes employees feel valued and participants in corporate culture (Berceruelo, 2011), so the voice of employees is a significant predictor of innovation (Rasheed et al., 2017). There is a strong effect of both organizational culture and performance of leaders on participation, trust, and job satisfaction (Meng & Berger, 2019). In
relation to this, Weman and Kantanen (2018, p.57) suggest that “leadership communication is crucial for innovation management because creative thinking and commitment enable innovation.”

Since happiness at work (Salas-Vallina et al., 2017; Warr, 2007) is “a global construct that consists of the traits ‘job satisfaction’ and ‘organizational commitment’” (Fisher, 2010, as cited in De Waal, 2018, p.126). Internal communication is of great importance in its promotion within organizations (Castro-Martínez & Díaz-Morilla, 2020).

Sustainable work places the workforce at the center of the processes, generating happiness, well-being and recognition in a way that encourages ideation and creativity by producing work that makes sense for employees and contributes to the development of culture (Bolis et al., 2014, as cited by Brunoro et al., 2020). Therefore “there is a positive relationship between innovation in the workplace, the performance of the organization, the well-being of employees and the interactions with others” (Rahman et al., 2016, p.9).

Consequently, if organizations expect high levels of commitment and motivation, they have a duty to develop a brand that promotes the well-being of employees (Raj, 2020, p.1083), for which IC is very useful since it fulfills objectives at the relational, operational, motivational and attitudinal levels (Capriotti, 1998).

6. DISCUSSION AND CONCLUSIONS

In order to fully understand the phenomenon of innovation, it is necessary to study it at its multiple levels, since it does not occur only in organizations with a specific configuration or belonging to a given sector. In addition, a multidisciplinary approach is convenient, since much of its approach is carried out from the technological aspect (Hernández et al., 2017; Schilling & Shankar, 2019) or the economic aspect (Robert & Yoguel, 2010; Johnston and Marshall, 2016), limiting the heterogeneity that characterizes this process, which can be reductionist. Thus, delving into internal communication processes is vital to achieve business objectives (Kalla, 2005; Kitchen & Daly, 2002).

IC constitutes a strategic management area that enables change management (Leeuwis & Aarts, 2011) and the implementation of a culture of innovation within organizations (Cabrilo et al., 2020; Recalde & Glaria, 2015). The literature indicates that it has an important influence on identification, loyalty, creativity and productivity (El-Sholkamy & Fischbach, 2019; Mainardes et al., 2019; Men & Yue, 2019; Raj, 2020; Rogala & Bialowas, 2016). It is also essential due to its role as a vehicle for the transmission of knowledge (Leendert & Dolfsma, 2015), as well as in the legitimation and effectiveness of leadership (Gode et al., 2019; Men, 2015). On the other hand, it is an element that directly affects
the well-being and happiness of the workforce (Castro-Martínez & Díaz-Morilla, 2020; Hosie & Sevastos, 2009), which in turn have an impact through creativity, involvement and performance (Kamel et al., 2017) in the innovation capacity of an organization (Usai et al., 2020; Weman & Kantanen, 2018).

This research achieves its objectives by determining the relationship between internal communication and innovation and defining some of the elements on which this link is based, such as culture, climate and happiness in organizations. It was found that internal communication as a management strategy based on a two-way system and on the construction of a positive organizational climate that fosters the happiness of the workforce is beneficial in the development of an innovative ecosystem. Thus, an internal communication operating scheme is proposed as a facilitating element of innovation and creativity that is based on the creation of a corporate culture that enhances commitment, participation, happiness and well-being of the employees (Figure 1).

The value of this document lies in providing a global perspective on the impact that internal communication management has on innovation through its role as a facilitator of organizational change and happiness. The practical implications of this work are valuable to organizations for showing the benefits of implementing an effective IC system and offering some guidelines for their development, which can contribute to superior innovation performance.
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