

## **UNIQUE STRATEGY OF SUSTAINABLE DEVELOPMENT BASED ON INTERACTION OF PR AND ICT FOR UNDEVELOPED MUNICIPALITIES IN SOUTH SERBIA**

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### **Abstract**

The aim of this research and project was formulation and implementation of efficient strategy of sustainable development for undeveloped municipalities in South Serbia in order to solve several key issues which hamper the economic growth and general living conditions. With the interaction of Public Relations and Information and Communication Technologies we have managed to create strategy that successfully solves problems on creating, maintaining and improving communication with existing and with the potential investors through delivering project in four stages: foreign language training, IT Literacy, Public Relations Course and creation of general presentation of municipality. Our research on three municipalities has shown that by combining these four stages, municipality can improve communication with existing investors and can create relations with new investors. The implementation of the project on three municipalities has shown even better results and has proved our proposed hypotheses. This paper will show that interaction of PR and ICT can produce an efficient strategy in order to preserve and to improve sustainable development not only in undeveloped municipalities in South Serbia, but in other countries and municipalities with similar economic and general living conditions.

**Keywords:** *Public Relations, Information and Communication Technologies, Strategy, Sustainable Development*

**JEL Classification:** M3, O3, N1, O12, R58

## INTRODUCTION

The world is faced with the constant turbulences on the stock market and ruthless struggle for market peace in every corner of the world. High developed democratic countries, leading world economies are setting up high standards in every aspect of social action, which is normal phenomena for such societies, but when it comes to undeveloped countries, especially new democratic countries such as Serbia, transformation and integration from old system of work to a modern and new system of work can be very demanding, complicated and it takes more time if we compare time for implementation of new systems in developed countries. From the PR point of view, technological (ICT) and social changes (influence on sustainable development) continue to transform aspects of PR practice during the first decade of 21<sup>st</sup> century in the following form: feminization of the field, ethic and cultural diversity, the advent of Transparency, expanding the role of PR, increased emphasis of evaluation, managing 24/7 news cycle, new directions in mass media, outsourcing to public relations firms, the need for life-long learning and increased emphasis on financial relations (Wilcox & Cameron, 2007) . From ICT point of view, not all technologies have the equivalent impact on our lives that information and communication technology (ICT) does (Tench & Yeomans, 2006). The growth in importance of mathematics, the resulting increase in the value and importance of information and communication and the increasing sophistication of the technologies that manage such information and communication have all created a central role for technology in our lives. However, technology is, and has always been, a social phenomenon and is not value free (Mattelart, 2003). From the sustainable development (SD) point of view and especially the government sector (in form of their role and responsibility to the society) SD and responsibility are linked. The future of the planet Earth is in our hands because we have power over the poorest of poor people, animals, plants and ecosystems. A very basic question is how to maintain the current human capabilities and opportunities and to support their expansion so that a future generations will have the same capabilities and freedom, as we do – or even more (Sen, 2009). Serbia has National Sustainable Development Strategy (NSDS) since 2005 and it was initiated through cooperation of the Office of Deputy Prime Minister, United Nations Development Program (UNDP) and Swedish

International Development and Cooperation Agency (SIDA), having the aim to create development framework for the Republic of Serbia by 2017. (<http://www.odrzivi-razvoj.gov.rs>). Combining methods and techniques of PR and ICT we wanted to analyze the possibility of creating efficient strategy of SD for the undeveloped municipalities in South Serbia, which should solve the problem on creating, maintaining and improving communication with existing and with the potential investors. To start solving this problem was essential, even with the formulation of NSDS on National level, the real implementation on the field in bigger percentage has failed. The strategy of SD as a product of interaction between PR and ICT includes four stages: foreign language training (English), IT Literacy through ECDL Program (European Computer Drivers License program), PR Course and creation of general presentation of municipality (Management Course). We have chosen this experimental design upon data from previous basic research on capabilities and general usage of PR and ICT in municipalities that were subject of research. Our previous research has shown great lack of knowledge in English language, IT and in communication with the target groups. Rationality in this case is very clear, our expectations were focused on successful implementation of strategy of four stages and later on implementation of gained knowledge in practice by employees in municipality and answering on our stated hypothesis.

## 1. THEORETICAL BACKGROUND

*PR in focus.* The importance of building, maintaining and improving relationship with the target groups has been analyzed in a variety of ways in the public relations literature and the literature of related disciplines. A theoretical shift from public relations reflecting an emphasis on managing communication, to an emphasis on communication as a tool for negotiating relationships, has been taking place for some time (Kent & Taylor, 2002). Since we are not talking about simple procedure regarding approach to the target groups, in fact, the whole procedure is just the opposite. It is complex intermingling of groups with diverse cultural, ethnic, religious, and economic attributes (Wilcox & Cameron 2007) and therefore reaching the target groups demands special approach in planning and implementation by using all available resources, methods and tactics. Building relationships – managing interdependence – is the substance of public relations theory (Grunig, Grunig & Ehling, 1992). Public relations have been broadly conceived as a strategic function that manages relationships and forwards the organizational agenda (Gandy, 1992; Hodges & McGrath, 2011; Pal & Dutta, 2008). In order to create, maintain and improve quality relations with the target

groups, especially with the domestic and foreign investors, which are one of dominant factors of SD, organizations have to use all available potentials to formulate and implement public relations. Public Relations has always been a dynamic industry, but the virtually unlimited number of communication channels and social media platforms now available have set the stage for fast-paced change (Hays & Swanson 2012). Now, more than ever, organizations and especially government organizations and municipalities need to understand the necessity of PR continuum. That means that PR is not a one day action with immediate results and with the long lasting benefits. It has to be an ongoing way of doing business that, long-range and short-range, makes positive and substantial contributions to a business organization's bottom line and at the same time is consonant with the public interest (Awad, 1985). These aspects clearly state the significance of formulation and implementation of PR strategy. Summarizing, we hypothesize:

*Hypothesis 1 (H1): The implementation of PR strategy will increase communication and cooperation with domestic and foreign investors*

*ICT in focus.* In a last three decades ICT represents one of the fastest growing industries and an industry which has made one of the biggest revolutions in science and in real practice. New and more developed products and services from ICT are available on agenda almost every day and from a perspective of competition, we are facing with hyper competition on global market. ICT has become so important that every country, organization or institution no matter how highly or lowly placed wants to identify and embrace it (Akuegwu & Ntukidem & Ntukidem & Jaja 2011). We are facing a period of transition from a traditional model of producing information and services for citizens, to a new model built around information and communication technologies and spread through the Internet and digital networks (Castells, 1996; Dutton, 1999; van Dijk, 2005; Wellman & Haythorntwaite, 2002). The Internet, in particular, can facilitate public administrations to modernize their structures and functions in order to improve performances (Contini & Lanzara, 2009; Pieterse & Ebbers, 2008), create new spaces for citizen participation and engagement (Dahlgren, 2009; Sirianni, 2009), improve processes of e-governance (Mayer-Schonberger & Laser, 2007), and foster transparency and accountability between the organization and its publics (Bertot, Jaeger & Grimes, 2010; West, 2005). In developed countries projects of ICT are daily routine, but in undeveloped countries ICT represents an issue that needs to be solved in order to accomplish stated goals or to improve a sector in government or in a private enterprise. Why issue? The impact of ICT in Serbia has constant growth, but in the same time Serbian citizens need to have

proper education-training in order to follow that constant growth and especially in local government sector and their efforts in improving SD. That is why ICT in most cases represents an issue-problem for employees in municipalities, because they need to upgrade significantly their knowledge in ICT in order to use some new software which is a routine for municipalities in developed countries, because they have a great lack of basic knowledge in ICT and they need a lot of time and training in order to use properly new software. Governments and organizations have started to provide services using the Internet and multimedia to create and maintain more efficient and effective relations with their stakeholders (Lovari, Vibber & Kimm, 2011). These aspects clearly state the significance of formulation and implementation of ICT strategy. Summarizing, we hypothesize:

*Hypothesis 2 (H2): The implementation of ICT strategy will increase communication and cooperation with domestic and foreign investors*

We can see from relevant literature that both, Public Relations and ICT have specific role in creating and maintaining relationships with the target groups. However, in order to implement efficiently and effectively PR strategy, PR practitioners are focusing more and more on ICT methods and tools, as because of greater presence of ICT in all spheres of social action, greater impact on their target groups and also because of time factor. Literature covers the role and significance of PR and ICT in creating and maintaining relationships with target groups and generally improving and maintaining sustainable development, but only acting separately, only as a part of general strategy and never acting together in interaction as one strategy on matter of sustainable development and solely creating relations with domestic and foreign investors. If we summarize all aspects regarding the hypothesis 1 (H1) and hypothesis 2 (H2) we find that ICT as a discipline represents efficient and effective service industry for different areas of industry and in this case, PR strategy needs to be tailored and adjusted to the trends of ICT all in order to increase efficiency, effectiveness and productivity in general. Therefore interaction of PR and ICT is a logical step forward in efficiently managing changes and in increasing quality and quantity for communication and cooperation between organization and their target groups. Summarizing, we hypothesize:

*Hypothesis 3 (H3): The interaction of PR and ICT strategies will increase communication and cooperation with domestic and foreign investors more than separate implementation of each strategy.*

## **2. METHODS AND VARIABLES**

We have determined for our research sample three out of forty most undeveloped and endangered municipalities in South Serbia and generally most undeveloped in entire Serbia. Our previous research was point on determination of level of knowledge in Foreign Languages, IT, Public Relations (Communication with the target groups) and basic managerial skills of municipality leaders. Research data has shown the cause of poor communication with the domestic and foreign investors and the cause for slow improvement of sustainable development.

Population of two selected municipalities is estimated to 10.000 people, and to 13.000 for the third municipality. Staff numbers in municipalities are 70, 92 and 110 employees. Results of English language conducted tests based on Common European Framework (CEF) are in Table 1.A

	Level of knowledge of English language	Municipality A		Municipality B		Municipality C	
		Before	After	Before	After	Before	After
1.	Beginner	54	37	61	49	72	58
2.	Intermediate	13	28	27	34	33	38
3.	Advanced	3	5	4	9	5	14
	Total	70		92		110	

**Table 1.A English language test results based on CEF criteria**

We have started to implement our experiment for each municipality in two phases, first phase English language course and IT literacy and second phase Public Relations and Strategic Management course. The duration of the first phase was three months and for the second was one month. Since we had different level of knowledge in English and in IT, in every municipality we have divided employees in two groups, first group with great lack of knowledge and the second group with the need to upgrade (see Table 2.A). For beginner group ECDL training was organized for digital literacy in four modules, and for intermediate group ECDL training was organized for digital competence in seven modules.

	Group	Municipality A	Municipality B	Municipality C
1.	Beginner	30	40	50
2.	Intermediate	15	20	30
	Total	45	60	80

**Table 2.A Number of attendants per group**

After successful completion of first phase, we have determined that all employees should attend on general seminar in Public Relations and Strategic Management

and separately we determined which employees will be involved in training in Public Relations and Strategic Management. We have determined people for further training in Public Relations and Strategic Management who are responsible for departments in municipality and the employees in presidency of municipality (see Table 3.A).

	Training	Municipality A	Municipality B	Municipality C
1.	Public Relations training	3	4	7
2.	Strategic Management training	9	12	15
	Total	12	16	22

**Table 3.A Number of attendants per group for Public Relations and Strategic Management**

After successful completion of first phase, we have developed in cooperation with the department directors and employees from presidency of municipality general presentation of municipality. General presentation of municipality is the document which is the ID of municipality and clearly states all economic potentials and existing opportunities. Completion of that document was our final step in preparing employees of municipality for implementation of strategy of sustainable development which needed to restructure the existing business climate in entire region of municipality.

Our dependent variable is increased level of communication and cooperation with domestic and foreign investors through formulation and implementation of strategy of four stages, as a result of interaction between PR and ICT. In our research we approached domestic and foreign companies already present in selected municipalities, as well as a number of companies, which declared intention to invest in past period. We collected information's regarding investor's overall satisfaction, subjective grade of municipalities regarding communication, cooperation and readiness to invest before and after implementation of our study. In order to ensure proper communication with potential investors, it is important to have adequately trained personnel, which is capable to provide proper information to investors through all communication channels. Quality of potential in human resources in selected municipalities is important factor for investment absorption. Questionnaire was prepared to address quality of communication and provided information, also asking for feedback regarding communication channel

type. In order to get relevant results, always was applied the same procedure of sending questionnaire and feedback measurement.

### 3. RESULTS

Municipalities were passively following National Sustainable Development Strategy (NSDS), without initiative and practice in communication with domestic and foreign investors. After implementation of PR and Strategic Management trainings selected municipalities published through direct mail, fax, phone, radio, local newspapers and e-mail new call for domestic and foreign investors, in accordance with PR strategy defined through trainings. After one week, questionnaire was sent to 30 companies addressed in campaign. Results received shown that 60% or 18 of addressed companies gave positive response to implemented PR strategy confirming stated *Hypotheses (H1)*. All attendants passed ECDL training and received certificate of completion. Intermediate group also had training in administration of web site, and collaboration through social networks (Facebook, Twitter, and LinkedIn). Municipalities announced on their web sites new communication channels, and sent connection request to domestic and foreign investors through Facebook and LinkedIn. Prepared questionnaires were sent through e-mail campaign after one week. Results received shown that 33% or 10 of addressed companies gave positive response to implemented ICT strategy confirming stated *Hypotheses (H2)*. Selected municipalities after finished trainings start communication with domestic and foreign investors using all existing and new digital communication channels, in accordance with adopted knowledge and defined PR strategy. Prepared questionnaires were sent through e-mail campaign after one week, and repeated after one month. Results received after one week shown that 66% or 20 of addressed companies gave positive response to implemented combined PR and ICT strategy. After one month, positive response is increased to 80% or 24 addressed companies which gave positive response to implemented combined PR and ICT strategy confirming stated *Hypotheses (H3)*.

### 4. CONCLUSION

Both concepts, PR and ICT are still in ‘‘birth’’ stage of development in Serbia. Inefficient usage of PR and ICT creates gaps in general strategy of NSD in Serbia. By combining these concepts, municipalities create more possibilities to create, improve and maintain efficient and effective relations with their target groups and in this case with foreign and domestic investors. Although our strategy was point on economic part of SD, it is also usable for other part of SD as well. Interaction



of PR and ICT presents unique strategy not only because of their methods, techniques and economic impact on SD, but also because of unavoidable interaction with other disciplines which also presents crucial part of SD strategy. This method as seen in this paper can be very productive in undeveloped municipalities – countries, but there are certain limitations for some countries regarding culture, NSDS, religion and need for such strategy. There are limitations of this method in the case of developed countries, because these strategies present common practice and such high-demanding environment demands newer, more creative and more content strategies. This interaction can be very productive in undeveloped countries with similar economic and political conditions like in Serbia as a part of NSDS with the aim to create awareness about the roll and importance of two highly valued and competitive disciplines, PR and ICT.

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