

# MANAGEMENT OF THE SERVICE IMPROVEMENT SYSTEM IN PUBLIC UTILITIES IN BOSNIA AND HERZEGOVINA

## UPRAVLJANJE SISTEMOM POBOLJŠANJA USLUGA U KOMUNALNIM PREDUZEĆIMA U BOSNI I HERCEGOVINI

Hazim Okanović

Association of Municipalities and Towns of the Federation of Bosnia and Herzegovina,  
hazim.okanovic@fu.unsa.ba

Primljen / Received : 12. 11. 2024.  
Prihvaćen / Accepted: 23. 11. 2024.

### Abstract

The business of public utilities in the present has become unimaginable without the represented aspect of relations with the public. The main goal of this paper is to show how successful public relations contribute to better management of the service improvement system in public utility companies in Bosnia and Herzegovina. In addition, the aim is to analyze the importance of managing the policy of improving the efficiency of water supply, and wastewater treatment and the importance of communication strategy. The paper investigates the mechanisms that influence the communication strategy on determining the communication goals that public companies in Bosnia and Herzegovina have to achieve to communicate with the public. The work explores key communication messages, target groups, and communication channels. The paper indicated that the key skills and strategies for improving communication, building strong public relations and effective advocacy in a public water and utility company is knowing the psychographic and behavioral characteristics of the target group to adapt messages. Also, it was shown that strategic communication in the field of water supply and wastewater treatment greatly helps in understanding the broader picture of the performance of public water and utility companies. It was emphasized how important it is to create a communication strategy and action plans, especially when it comes to key points, goals, messages, and roles in the company. Also, it was pointed out that it is very important to understand the concepts, tools, techniques, and materials for public relations (statements, press releases, invitations, media briefs, interviews) as well as the basic requirements for a successful appearance in public.

**Keywords:** Communication strategy, public relations, water services, Bosnia and Herzegovina.

### Sažetak

Poslovanje javnih komunalnih u sadašnjici postao je nezamisliv bez zastupljenog aspekta odnosa sa javnošću. Glavni cilj ovog rada je ukazati kako uspješni odnosi s javnošću doprinose boljem upravljanju sistemom poboljšanja usluga u javnim komunalnim preduzećima u Bosni i Hercegovini. Osim toga, cilj je analizirati

važnost upravljanja politike poboljšanja efikasnosti vodoopskrbe, tretmana otpadnih voda i značaja komunikacijske strategije. U radu su istraženi mehanizmi uticaja komunikacijske strategije na određivanje komunikacijskih ciljeva koje javna preduzeća u Bosni i Hercegovini imaju u cilju postizanja komunikacije s javnošću. Cilj rada jeste i da istraži domen ključnih komunikacijskih poruka, ciljne skupine i komunikacijskih kanala. U radu je ukazano kako ključne vještine i strategije za poboljšanje komunikacije, izgradnja jakih odnosa s javnošću i efikasno zagovaranje u javnom vodovodnom i komunalnom poduzeću jeste poznavanje psihografskih i ponašajnih karakteristika ciljne skupine u cilju prilagođavanja poruka. Također, ukazalo se kako strateška komunikacija u oblasti vodosnabdijevanja i tretmana otpadnih voda u velikoj mjeri pomažu sagledavanju šire slike uspješnosti javnih vodovodnih i komunalnih poduzeća. Istaknuto je kako je važno kreirati komunikacijsku strategiju i akcijske planove posebno kada su u pitanju ključne tačke, ciljevi, poruke i uloge u poduzeću. Također, ukazano je kako je velika važnost razumijevanje koncepata, alata, tehnika i materijala za odnose s javnošću (izjave, saopćenja za javnost, pozivi, briefovi za medije, intervjui) kao i osnovne zahtjeve za uspješan nastup u javnosti.

**Ključne riječi:** Komunikacijska strategija, odnosi s javnošću, vodne usluge, Bosna i Hercegovina.

## 1. LITERATURE REVIEW

Administration is defined as state activity carried out by state administration bodies according to the constitution and laws of the state. “This is by the principle of division of power into legislative, administrative, and judicial (Jovanović, 1936, 223). The term public administration is a broader term than state administration, as it denotes all those performing administrative activities, both within the state organizational structure (administrative bodies and other state bodies authorized to perform administrative activities) and outside it (non-state entities with public powers). , and not only state administration bodies as performers of administrative activities (Lilić, 2008, 41). The operation of business companies in the territory of the Federation of Bosnia and Herzegovina is regulated by the Law on Business Companies (“Official Gazette of the Federation of BiH”, number: 81/15), within which the types of business companies are defined. The division is based on modern theory, which divides economic companies into two basic groups: (a) personal companies: companies with unlimited joint and several liability and limited partnerships, and (b) capital companies: joint-stock companies, limited liability companies, and limited partnerships on shares. Public enterprises, in which the state is a partial or full owner of the capital, operate either as joint-stock companies or as limited liability companies, therefore, as capital companies (Marinković-Lepić, 2014, 129). It is important to emphasize that the Draft Law on Water Services of the Federation of Bosnia and Herzegovina on September 1, 2024. finished with the public discussion and was directed to the further procedure, paragraph b and c of Article 2 state the importance of b) provision of water services and operations of

legal entities and other subjects by the standards and values of service quality, and c) regular and complete information of service users about quality drinking water and taking measures to ensure the quality of drinking water.

The basic philosophy of relations with the public is very simple. Many believe that it is easier to successfully achieve the set goals with the support and understanding of the public, than when the public is opposed or indifferent. Public relations can be described as

several keywords, namely: reputation, perception, credibility, trust, agreement, and mutual understanding based on truthful and comprehensive information (Black, 1997, 1).

German PR practitioners were the first to react and create their definition of PR, which reads: public relations is “the conscious and legitimate engagement of an organization, based on systematic research, around building and nurturing trust and understanding in the public” (Tomić, 2008, 51).

PR is a special management function, which aims to establish and maintain mutual communication links of acceptance and cooperation between organizations and their public, solving problematic and conflict situations (Skoko, 2004, 96).

Public relations strategies must be started from the very beginning and by the development plan for the next year, take initial steps and at the same time implement the goals outlined in the Strategic Communication Plan, the goal of which is for public companies to focus on strengthening existing communication channels, but also on the development of new ones. Ways of communication, all to promote and create the perception of a strong company.

The overall goal is to achieve and strengthen the position and functioning of public utility companies, respecting and applying the principles of action in all their activities.

The relatively bad publicity that individual public utility companies have been enjoying lately, due to the recent increase in the prices of some utility services, contributes to putting all public companies “in the same basket” as the main culprits for the deterioration of citizens’ standards. Public utility companies play the role of mediators in informing citizens about important matters, such as new regulations service prices, and service interruption notices. For this reason, it is important to strengthen cooperation with the public relations service with management, the center for services to citizens, and the technical service, as well as the continuation the improvement of existing communication channels, and continuously monitor new trends.

The communication strategy of public companies should be based on targeting and education of the communication carrier, as well as building a network of commu-

nication channels, targeting the target public so that the media activity comes into the focus of the public and is conveyed to the target group with an adapted tone, which ultimately represents the challenge of creating a positive rating company.

Communication goals are directly related to raising the quality of communication capacities with target groups, encouraging the public responsibility of companies through more effective communication with citizens educating them about various processes, and establishing a more effective internal communication system in order to improve the image of the company.

A communication strategy is a document that determines the goals that the holder of the Strategic Planning Act wishes to achieve through communication with the public and defines key communication messages, target groups, and communication channels. The communication action plan defines the framework for achieving the communication goals determined by the communication strategy and elaborates in detail the measures and activities of information and visibility at the operational level to implement the communication goals. Key communication channels are communication through traditional communication channels, communication through digital communication channels, official websites, social networks, and newsletters – means of information (Martinović, 2023, 101).

The communication strategy aims to determine communication goals, target groups, carriers of the communication process, basic messages, relations with the media, communication channels, and channel and communication management. Special emphasis is placed on regular quantitative and qualitative analysis of content placed in the media space, monitoring, and the introduction of online communication into regular activities.

Improving the reputation is achieved by strengthening the activities of personnel who should be recognized in the public space and by strengthening communication and its channels, as well as cooperation with the media.

External communication is that which is directed towards the public and takes place through the media and its own communication channels, but also through direct means, i.e. interpersonally with the public.

The most optimal communication tools include the organization's visual identity, press and media releases, photo reports, interviews and statements to the media, press conferences, organization and attendance at events, the organization's website, social media accounts, newsletters, letters of thanks, congratulations, acknowledgments, posters, brochures and leaflets, interpersonal communication, telephone, e-mail, event PR and more.

Classical public information systems, based on print and electronic media and reactive communication behaviors of local administration, fail to motivate citizens

to become more intensively involved in the processes of effective external supervision of the work of local authorities, nor to direct participation in the creation of public policies derived from the real needs of citizens (Martinović, 2014, 211).

Public relations officers disseminate information from local government bodies to the public through available media. However, the key question is in what form and whether the information reached the citizens at all since there is no feedback. With the emergence and development of new information and communication technologies, and the convergence of traditional media and online media tools, this has changed, and local self-government units have been enabled to communicate directly with their public (Martinović, 2023, 219)

In order for internal communication to function properly in a certain organization, it is necessary that it is positioned at the top of it, and that the management respects the importance and expertise of people. It is unlikely that any communication strategy will be carried out as planned and will be effective if information does not flow from the top down. Successful and effective communication with employees, developing relationships with them, and introducing internal communication as a management tool leads to more satisfied and productive employees, which ultimately raises the level of public service quality (Štekl, R., Katavić, I., Vukić, D. 2022, 147).

Development Strategy of the Federation of Bosnia and Herzegovina 2021-2027. points to the importance of ensuring the necessary quantities of water of appropriate quality and the construction of water infrastructure for water supply, as well as the collection and purification of wastewater. It is important to emphasize that the Association for Water and Environmental Protection “Aquasan Network in Bosnia and Herzegovina” organized a conference in 2024 entitled “Efficient and Sustainable Water Services”, the aim of which was to ensure the continuation of the dialogue with the aim of exchanging knowledge, experiences and good practices that contribute to the improvement of the water services sector in Bosnia and Herzegovina. This conference was held as part of the Regional Network for Strengthening Capacity for Water Supply and Sanitation (RCDN+) project, and the topics addressed were the legal framework and financial sustainability of water services, as well as organizational, institutional and human capacities in the water services sector. At this conference, the acquired experiences good practices, and key aspects of the operational and financial sustainability of water services in BiH were presented. In addition, the importance of long-term activities such as the promotion of an advocacy campaign related to the importance of capital infrastructure investments and communication strategy was pointed out at the meeting in Skopje held in 2024. Officials and public relations advisers of the UTVSI Association, the Association of Communal Service Providers of the Republic of North Mace-

donia (ADKOM) Skopje, the Association of Municipalities of Montenegro, the Water Supply Association of Montenegro, the Association of Local Autonomy of Albania, the Association of Water Supply and Sewerage of Kosovo (SHUKOS) took part in this gathering. , the Network of Associations of Local Governments of Southeast Europe (NALAS), and the Association of Municipalities and Cities of the Federation of Bosnia and Herzegovina.

At the meeting, skills and strategies for improving communication were transferred and the key concepts of strategic communication “Regional Capacity Development Network (RCDN) in the field of water supply and wastewater treatment” were explained, as well as the communication strategy and action plan (key points, goals, messages and roles in implementation), then understand the need to create content and build and maintain relations with the media. In addition, the concepts, tools, techniques, and materials for public relations (statements, press releases, invitations, media briefings, interviews) as well as the basic requirements for a successful public appearance were pointed out.

At the public hearing held in 2023 in the Municipality of Novo Sarajevo, the municipalities of the Sarajevo Canton and the City of Sarajevo expressed dissatisfaction with the Law on Amendments to the Water Law of the Sarajevo Canton. Namely, with certain legal solutions, local communities were given the task of taking over local waterworks, which is not easy because the question of the owner’s rights arises, and those who built those waterworks are treated there. It is extremely important to regulate the ownership rights of water supply users, as well as the way of implementation. This is especially important because those waterworks and water facilities have not been built recently, so they do not have the necessary documentation.

Landmarks in the implementation of strategies and policies to improve the efficiency of water supply as a help to the public sector in its dual role of regulator and manager inevitably lead to better use of resources, improved quality of services, and better environmental protection. The implementation instructions, i.e. the existing document “Study on the best way of administrative positioning of the regulatory body in the process of determining the prices of communal services of water supply, drainage, and wastewater treatment” and “Methodology for determining the prices of water supply/water supply and sewerage services in Bosnia and Herzegovina” are the starting point for research within this project.

In the Federation of Bosnia and Herzegovina, capacities for adequate financial planning and water supply management are limited, and accounting practices are not aligned with the requirements of domestic legislation and international professional standards.

For example, in JP “Vodovod I kanalizija” Sarajevo, the water supply network is old, with many losses, it works under high pressure and 80% of the water is pumped,

which leads to an excessive consumption of electricity of about 13 million KM that comes from the source of Bačevo. The installations are very old. Once failures occur, they cause even greater failures later. To equalize the pressure, pipes often burst. When it comes to the sewage system, it works quite well and is not a problem. The problem is caused by two things, namely that the plant does not operate at full capacity because there is no place to dispose of wastewater sludge, so there is no third stage. It is of great importance to point out to the authorities the importance of investing in capital projects when it comes to water supply and sewerage.

## 2. METHODOLOGY

The research was conducted on a representative and stratified sample of public relations managers, and the sample was 10% of public relations officers.

This research will examine which of the tools would be most adequate for the public relations services of utility public companies, such as briefings and press conferences for journalists, press releases, creating a media list, creating and marketing video content on the web and social networks.

In addition, the importance of periodic communication activities was pointed out: reporting from promotional events, sending reports and press releases from public discussions with non-governmental organizations and citizens, reporting from organized capacity-building trainings, guest appearances on television and radio stations, and website redesign.

Finally, the importance of long-term activities such as the promotion of an advocacy campaign related to the importance of capital infrastructural investments was pointed out.

The research was conducted among the employees of public utility companies KJKP "Vodovod I Kanalizacija" Sarajevo, JP "Vodovod", Mostar, JKP "Komunalac", Tuzla, JP Vodovod I Kanalizacija" Kalesija, JP "Vodovod I Kanalizacija" Zenica, JKP "BAŠBUNAR" Travnik JP "Vodovod" Bihać, JKP "6. mart" Goražde; PUK, "Čapljina" Čapljina; JKP "Parkovi" Ljubuški, JKP "Komunalac" d.o.o. Hadžići, JKP "Vodostan" d.o.o. Ilijaš, JKP "Vodovod i kanalizacija" d.o.o. Gračanica, JP "Vodovod i kanalizacija" d.o.o. Banovići, JKP "Komunalac" d.d., Gradačac, JKP "Čisto" d.o.o. Doboj Istok, JKP "Čistoća" d.o.o. Čelić, JKP "Toplana" d.o.o., Tešanj, JKP "Komunalno" d.o.o., Maglaj, JKP "Radnik" d.o.o., Zavidovići, JKP "Komunalno" d.o.o. and Žepče, J.P. "Communalac" Orašje..

The primary data collection method was a questionnaire with structured questions. Data were collected from a sample of 50 respondents in order to answer all the research questions. Data were processed using the SPSS for Windows community research statistical software package.

### 3. RESULTS

First, the reliability of the entire questionnaire was tested using Cronbach's alpha coefficient. Based on each of the 10 questions from the questionnaire, an individual and group analysis was performed.

Table 1. Cronbach's alpha

Reliability Statistics		
Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.696	.711	10

Source: Author's research

As can be seen, Cronbach's Alpha coefficient shows the average correlation between all values on the scale.

In order to answer the questions of the questionnaire, the respondents had the opportunity to circle one of the offered numbers on a scale from (1) Completely disagree to (5) Completely agree.

The hypothetical framework is below:

H0: Successful public relations contribute to better management of the service improvement system in public utility companies in Bosnia and Herzegovina.

H1. The public relations departments of public companies play a significant role in the implementation of the communication strategy and information and visibility activities at the operational level.

H2. Public relations departments are of great importance when informing users about the quality of services promptly.

H3. The cooperation of the Department of Public Relations with the Center for Consumers and the Technical Service contributes to timely information for the public.

Table 2: Descriptive statistics

		H0	H1	H2	H3
N	Valid	50	50	50	50
	Missing	0	0	0	0
<b>Mean</b>		<b>4,07</b>	<b>4,28</b>	<b>4,00</b>	<b>4,27</b>



Std. Deviation	0,941	0,652	0,101	0,803
Minimum	1	1	1	1
Maximum	5	5	5	5

Source: Author's research

The average value of respondents on the main hypothesis, which reads: Successful public relations contributes to better management of the service improvement system in public utility companies in Bosnia and Herzegovina, is 4.07, which corresponds to the descriptive rating "I mostly agree".

Table 3. Chi-square test

<b>Chi-Square Tests</b>			
	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	60.051 <sup>a</sup>	6	.000
Likelihood Ratio	64.666	6	.000
Linear-by-Linear Association	4.385	1	.036
N of Valid Cases	50		

a. 10 cells (83.3%) have expected count less than 5. The minimum expected count is .80.

Source: Author's research

The results of the Chi-square test show that the respondents have a higher degree of agreement with the statement that the key skills and strategies for improving communication, building strong public relations and effective advocacy in a public water and utility company is knowing the psychographic and behavioral characteristics of the target group to adapt messages, which is confirmed by the results of this test where the Pearson Chi-Square is 60.051.

Table 4: Multiple linear regression for the method where all predictors enter the model simultaneously

Model Summary <sup>d</sup>										
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df1	df2	Sig. F Change	
1	.598 <sup>a</sup>	.358	.345	.834	.358	26.764	1	48	.000	

Source: Author's research

The table above shows the results of multiple linear regression for all independent variables observed and included as predictors of the dependent variable (expressed in the main hypothesis), showing that the research model of hypotheses with included auxiliary hypotheses contributes 59.8% in explaining the variance of the main hypothesis (Management service improvement system and more successful public relations).

The coefficient of determination (R Squared) or  $r^2$  indicates the percentage amount of variation in the dependent variable (main hypothesis) that can be explained by the regression model. Through the observation of all respondents in our case, 35.80% of the variations in the management of the service improvement system and successful public relations can be explained by changes in the stated hypotheses.

#### 4. DISCUSSION

The paper points to a better understanding of the role of the framework for achieving communication goals with a specific communication strategy and elaborates in detail on the measures and activities of information and visibility at the operational level for the purpose of implementing communication goals. Research conducted among employees of public companies in Bosnia and Herzegovina indicates the advantages of a communication action plan.

It is of great importance to strengthen capacity when it comes to applying for funds in order to obtain a certain solution in order to subsidize an additional facility that would perform the purification of sludge disposal, which would be a degradable material, but with a much smaller capacity than they have.

The long-term challenge for the water supply sector in Bosnia and Herzegovina, that is, the importance of the financial sustainability of water companies, is of great importance given the large concentrations of pumping, and public relations also play a key role.

Authorities should bear in mind the importance of investing in capital projects when it comes to water supply and sewerage.

It is important to strengthen the capacity when it comes to applying for funds in order to obtain a certain solution in order to subsidize an additional plant that would perform the purification of sludge disposal, which would be a degradable material, but with a much smaller capacity than they have.

## 5. CONCLUSION

A significant number of public utility companies have internal communication documents related to the placement of information, and crisis communication, according to which the employees of the public relations department are obliged to act. These documents are prepared by quality departments for their activities. The information procedure is also related to consumer centers and is done according to procedures. However, difficulties are evident when implementing internal communication documents, the application of which should be better and more functional. Employees of the public relations department and at the same time members of the management should act according to the recommendations of internal communication documents and public appearances. When it comes to notifying users in a timely manner, especially in the segment of ensuring the necessary quantities of water of appropriate quality and the construction of water infrastructure, it is dealt with systematically in public utility companies. After a malfunction occurs within the water supply system, citizens are notified and information is published in all possible ways. Particularly significant are reports directly to television and radio programs where citizens are informed of works or malfunctions in the water supply network. Press releases are sent to the media regularly and in a timely manner, after which they are published on the company's website and Facebook page, and some have also established Viber communities. Notices are also left on the bulletin boards in the building's hallways.

Research in the paper showed that the majority of respondents mostly agree that the key skills and strategies for improving communication, building strong public relations and effective advocacy in a public water and utility company is knowing the psychographic and behavioral characteristics of the target group to adapt messages. Respondents fully agree (36.4%) or have no opinion (36.4%) when it comes to strategic communication in the field of water supply and wastewater treatment to a large extent help to see the broader picture of the performance of public water and utility companies. How important it is to create communication strategies and action plans, especially when it comes to key points, goals, messages, and roles in the company, 63.6% of respondents fully agree. Understanding the need to create content and build and maintain relations with the media is of great importance,

according to the majority of respondents. How important is the understanding of concepts, tools, techniques, and materials for public relations (statements, press releases, invitations, media briefs, interviews) as well as the basic requirements for a successful appearance in public, according to the largest number of respondents, while 30% of them has no opinion. As many as 40% of respondents mostly agree, while 30% of them fully agree that providing a forum for information and information exchange on current issues in the water services sector contributes to strengthening cooperation, networking, and coordination at all levels. A total of 54.5% of respondents mostly agree that public relations play a significant role in the successful implementation of the reform of the water services sector. 63.6% of respondents fully agree that it is very important to have skills for digital content creation, communication with the media, and communication on social media. Respondents overwhelmingly agree (45.5%) and completely agree (45.5%) that PR tools play a major role in creating content to communicate with the public and the media. Good public relations improves the visibility of organizations and companies so that they are closer to the public and other interest groups, 63.6% of respondents completely agree with this statement.

## References

1. Blek S.1997. Odnosi sa javnošću, Clio, Beograd.
2. Martinović, D. 2023. Odnosi s javnošću u jedinicama lokalne samouprave, Savez općina i gradova Federacije Bosne i Hercegovine/Hrvatska udruga za odnose s javnošću, Sarajevo/Zagreb.
3. Martinović, D. 2014. Mediji i promocija participacije građana u lokalnoj samoupravi, Logotip d. o. o., Široki Brijeg.
4. Marinković-Lepić M. 2014. Odnosi sa javnošću u funkciji korporativnog upravljanja, Tranzicija, Vol. 16 No. 34, Ekonomskog institut u Tuzli.
5. Skoko B. 2004. Odnosi sa javnošću kao doprinos demokratizaciji i preofesionalizaciji procesa javnog komuniciranja, Politička misao, Vol XLI, broj 1.
6. Strategija razvoja Federacije Bosne i Hercegovine 2021-2027, Vlada FBiH, Sarajevo, 2020.
7. Štekl, R., Katavić, I., Vukić, D. 2022. Utjecaj interne komunikacije na zadovoljstvo zaposlenika na primjeru odabrane gradske uprave, Obrazovanje za poduzetništvo/Edukation for entrepreneurship, Zagreb, god. 12, broj 1, 2022, str. 147.
8. Tomić Z. 2008. Odnosi sa javnošću-teorija i praksa, Synopsis, Zagreb-Sarajevo.