

POSSIBILITIES OF IMPLEMENTING THE PERFORMANCE MANAGEMENT PROCESS OF NON-PROFIT ORGANIZATIONS TO THE DEFENCE SYSTEM

Radiša Saković*
Stanislav Stojanović**
Dragan Pamučar***

Достављен: 14. 09. 2020.

Кориговано: 13. 10. 2020, 25. 01. и 13. 03. 2021.

Прихваћен: 30. 03. 2021.

Језик рада: Српски

Тип рада: Прегледни рад

DOI број: 10.5937/vojdelo2101100S

The current manner of evaluating the state and capabilities of the Ministry of Defense and the Serbian Armed Forces is gradually losing its relevance and partially deviates from the contemporary trends, which is why the paper singles out a special *research problem*, aimed at overcoming the traditional understanding of performance management, i.e. gradual introduction of the performance management process into the defense system. Taking into consideration the complexity of the mentioned *research problem* and the current level of the development of the defense system of the Republic of Serbia, *the subject of the research* is based on the possibility of considering the implementation of the performance management process of non-profit organizations within the Ministry of Defense and the Serbian Armed Forces. In this regard, the paper starts from *the hypothetical view* that certain elements of the performance management model of non-profit organizations can be successfully implemented within the defense system. *The objective of this paper* is to point out the possibility of developing similar solutions in the Ministry of Defense and the Serbian Armed Forces through the presentation of a strategic map and the dashboard of the performance management model of non-profit organizations, with a brief overview of the defense systems of some foreign countries. By the implementation of *the method* of content analysis, focused on the comparative analysis of the considered models,

* Ministry of Defense, Defense Policy Sector, Strategic Planning Department, Belgrade, sakovicradisa@gmail.com

** Defense University, Institute for Strategic Research, Belgrade.

*** Defense University, Military Academy, Belgrade.

the research results have confirmed the set hypothetical framework. The paper *concludes* that there are the objective possibilities for the implementation of the performance management process of non-profit organizations within the Ministry of Defense and the Serbian Armed Forces.

Key words: management, performance, non-profit organizations, model, strategic map, dashboard, defense system

Introduction

The defense system of the Republic of Serbia predominantly exists in the status of a non-profit organization, which does not strive to make a profit, but to provide conditions for creating a safe environment for citizens and society as a whole. In this regard, in a great number of small and medium-developed countries, the defense system is a complex and non-profit organization, which mainly makes expenses and spends the state budget, with insignificant economy and low income.

Unlike these countries, in the process of growing globalization of the world, the defense systems of the great powers are increasingly in the function of strengthening their own economies, i.e. making a profit on various bases, which partly gives them the sign of a for-profit organization. This is supported by the fact that in many developed countries, non-profit organizations control a significant part of their gross domestic product.¹ These and similar considerations have determined the possibility of gradual introduction and implementation of the performance management process in the Ministry of Defense and the Serbian Armed Forces (hereinafter referred to as the MoD and SAF), and thus in the other entities of the defense system. Specifically, the paper deals with the following three key issues: the performance management model of non-profit organizations, the performance management of foreign defense systems and the proposal of the performance management model of the defense system of the Republic of Serbia.

The proposed model can represent a stable basis for further research in this area, because it will create conditions for gradual introduction of the performance management process in the MoD and SAF, i.e. in the defense system of the Republic of Serbia.

Non-profit organizations performance management model

The performance management model of non-profit organizations fully complies with the strategic direction of the organization including vision, mission, strategy, strategic map, BSC (Balanced scorecard), cascading measures and performance management system.²

¹ Berman M. Evan, „Productivity in Public and Non Profit Organizations: Strategies and Techniques”, *Sage Publications*, 2007, pp. 65-66.

² *Ibid*, pp. 93-110.

The performance management process of non-profit organizations can be simply presented in the form of a model that includes four phases (Figure 1): 1) performance planning (defining target levels); 2) assessment of achieved performances; 3) analysis and reporting on performance and 4) determination of performance improvement actions.

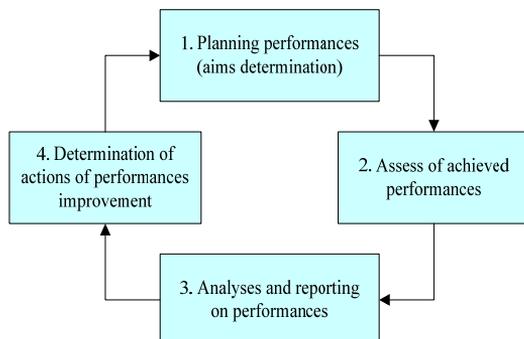


Figure 1 – Performance management model of non-profit organizations (Krcmuñ, 2014)

The general model of performance management of non-profit organizations ensures the implementation of their strategic aims in a certain planning period through the development of a balance sheet (BSC criteria).³ The implementation of such a model implies monitoring the process of carrying out strategic aims of a non-profit organization and is conducted in accordance with its plans, i.e. planning documents with a clearly defined (formulated) mission of the organization.⁴ In principle, the performance management process of non-profit organizations is carried out through the phases of planning, evaluation and performance improvement (Figure 2).

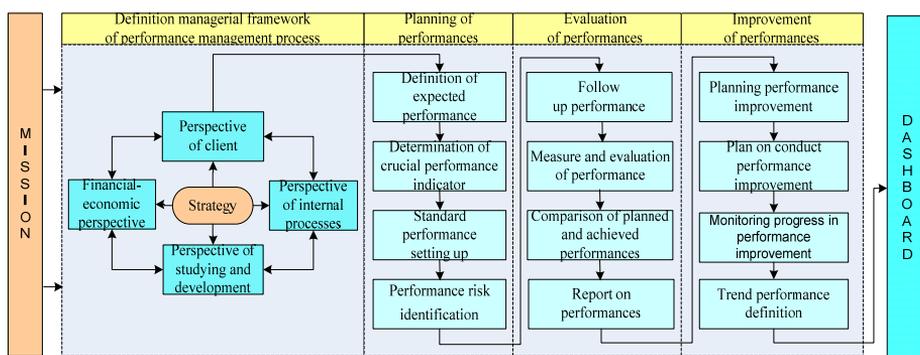


Figure 2 – General model of performance management of non-profit organizations (Pravdić, 2011)

³ Крстић Бојан, Пешић А. М., „Балансна карта у функцији стратегијског управљања непрофитним организацијама”, *Стратегијски пројектни менаџмент и пројектно лидерство*, Београд, 2014, стр. 131-135.

⁴ Robert S. Kaplan, David P. Norton, „Strategy Maps - Converting Intangible Assets into Tangible Outcomes”, *Harvard Business School Press*, Brighton, 2004, pp. 86-92.

The performance management model of non-profit organizations is based on the development of their balance sheets, whose implementation is conducted through a process that includes: 1) formulating the mission of a non-profit organization; 2) defining the vision; 3) conducting SWOT analysis;⁵ 4) development of a strategic map and 5) identification of strategic topics, aims and performance measures.⁶ In relation to the mentioned phases, the focus of the model are the aims of non-profit organizations, which are presented for better understanding through the key areas of the organization, in the form of a graphical presentation, i.e. through a strategic map (Figure 3).

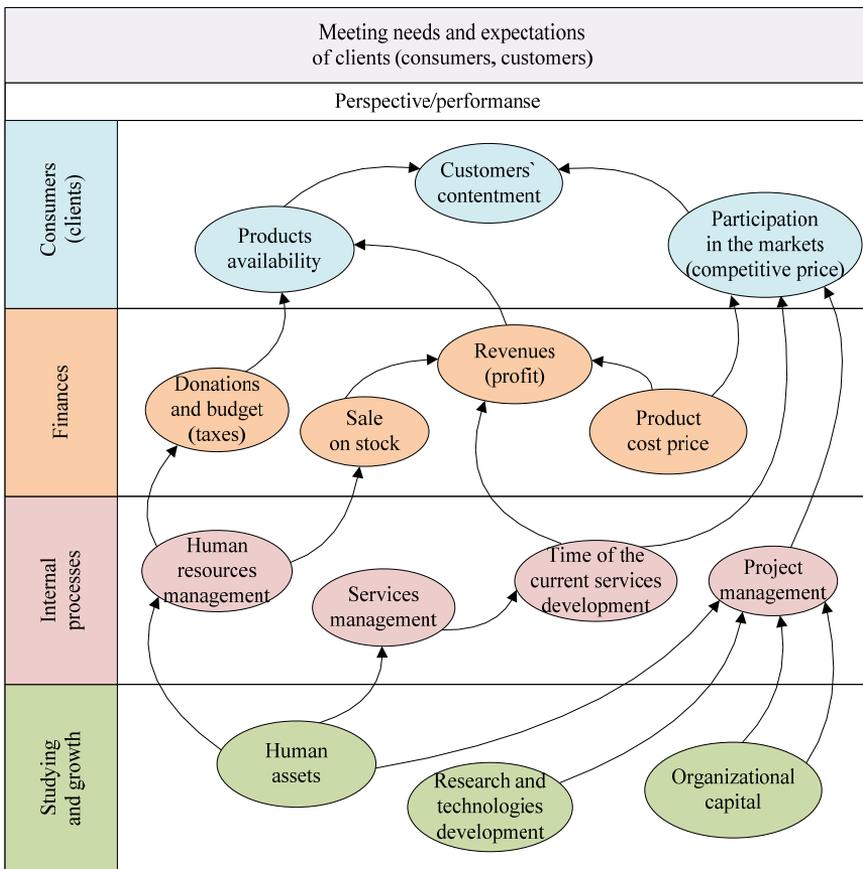


Figure 3 – Strategic map of non-profit organizations (Pravdić, 2011)

⁵ Terry Hill, Roy Westbrook, „SWOT analysis: it’s time for a product recall”, Long Range Planning, 1997, pp. 46-52.

⁶ Ibid., pp. 135.

The process of creating a strategic map is identical to the process of creating it within for-profit organizations.⁷ The presented strategic map in combination with the BSC concept enables the successful implementation of the performance management model of non-profit organizations.⁸ The achieved level of accomplishment of the strategic aims of a non-profit organization is most frequently shown on the dashboard. (Figure 4)⁹

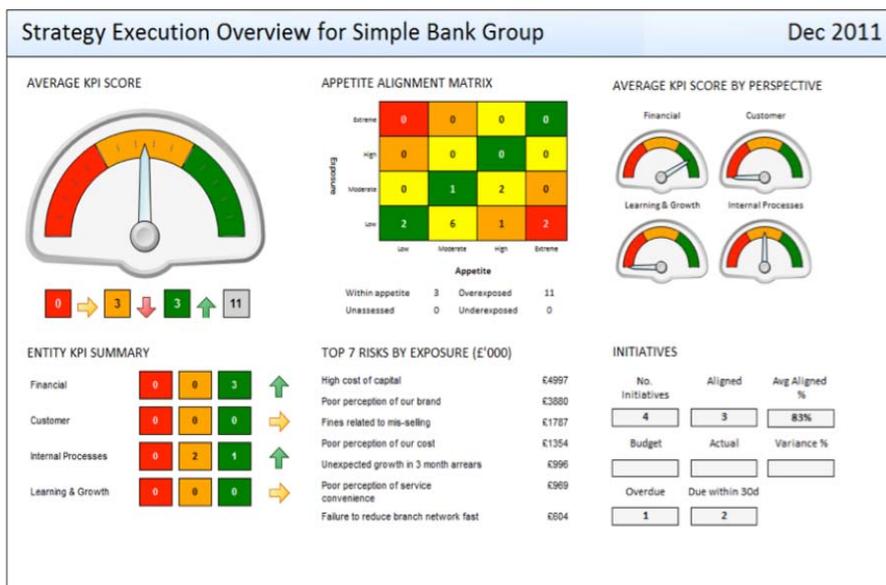


Figure 4 – Non-profit dashboard - Simple Bank Group

(<http://stratexsystems.squarespace.com/stratexsystems-blog/2012/2/7/stratexpoint-enhanced-dashboard-taster.html>)

The presented model can be successfully used, i.e. implemented in the MoD and SAF, as well as in the other defense entities, taking into account their specifics. Depending on the area and the level of the model implementation, different effects can be achieved in the defense system, which depends on the purpose of existence and the stated mission of the organization, i.e. on its set aims. The practical experiences of the MoD and SAF in the field of performance management of the organization are modest, but significant support can be found in the study of this process in the defense systems of foreign countries.¹⁰

⁷ Predrag Pravdić, „BSC u profitnim i neprofitnim organizacijama”, 38.nacionalna konferencija o kvalitetu života FQ2011, Beograd, 2011, str. 46.

⁸ Ibid., str. 47.

⁹ ОбрадовићА.Тижана, „Концепт управљања пословањем заснован на индикаторима финансијских перформанси”, докторска дисертација, Факултет организационих наука, Београд, 2014, стр. 78-92.

¹⁰ Angelis Diana, Webb Natalie, „Improving Performance Measurement in Defense Organizations”, *The Journal of the American Society of Military Comptrollers*, Monterey, 2009, pp. 87-128.

Performance management in the defense systems of foreign countries

Numerous pieces of information on forces, budget, organization, and similar things are necessary for performance management in the defense system. The success of the defense system, among other things, depends on its ability to create a system of performance evaluation, i.e. the ability to monitor performance through various categories of indicators.¹¹

There is a scarce fund of literature in the MoD and SAF on the performance management process in the defense systems of foreign countries. According to the existing knowledge, the cyclical model of the defense system performance management is the most frequently implemented in some foreign countries (Figure 5).

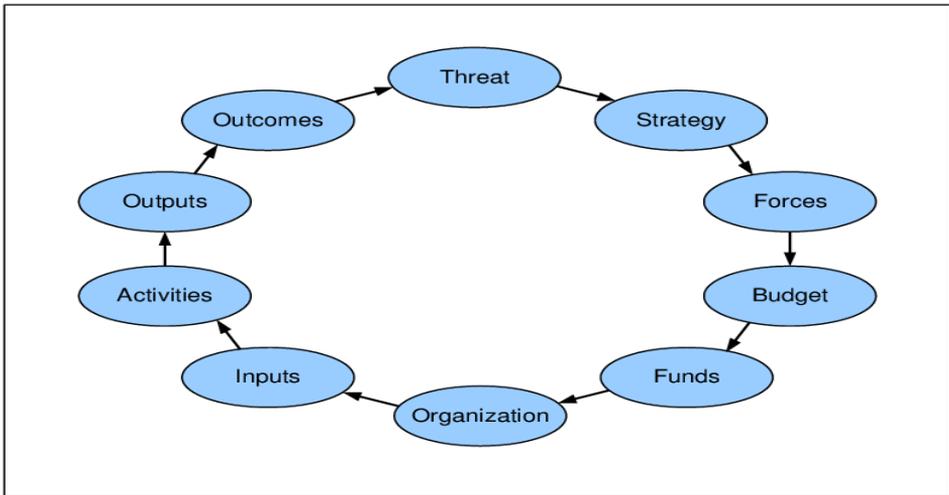


Figure 5 – Defense Management Performance Model (Angelis&Webb, 2009)

The existing knowledge and the available literature indicate that the list of balanced scorecards, i.e. the BSC concept, is the most often used in the defense systems of foreign countries. In order to better understand the interrelationships of the key areas of the defense system, this and similar concepts necessarily include a graphical presentation of cause-and-effect relationships, where a strategic map is the most often used.¹²

Among the first countries to implement the BSC concept in defense were the United Kingdom of Great Britain and Northern Ireland (hereinafter referred to as the

¹¹ Anthony N. Robert, Vijay Govindarajan, „Management Control Systems”, McGraw Hill, New York, 2007, pp. 120-124.

¹² Kankaraš Milan, Stojković Dejan, Kovač Mitar, „Application of the balanced scorecard in defence performance management”, *Međunarodni simpozijum SYMORG*, Zlatibor, 2014, str. 1357-1362.

United Kingdom), the United States of America and Canada.¹³ Later, this concept has been implemented in the other countries and organizational systems, such as the Ministry of Defense of New Zealand, Italy, etc.

This paper presents characteristic examples of individual elements of the implementation of the performance management process (BSC concept) in the defense systems of Great Britain and Canada. In particular, in accordance with the subject of the research and the presented perspectives and performances, their characteristic presentations are given in the form of a strategic map and a dashboard. In further research, these elements can be partially used to develop the performance management model of the defense system of the Republic of Serbia.

Thus, in the field of strategic planning and management of defense processes, the UK defense system is significantly ahead of Anglo-Saxon and the other more developed countries.¹⁴ Therefore, in the first decade of the 21st century, the BSC concept was successfully implemented in the defense system of Great Britain, because it provided a number of advantages in relation to previous assessments and analyses of the state and capabilities of the defense system.¹⁵

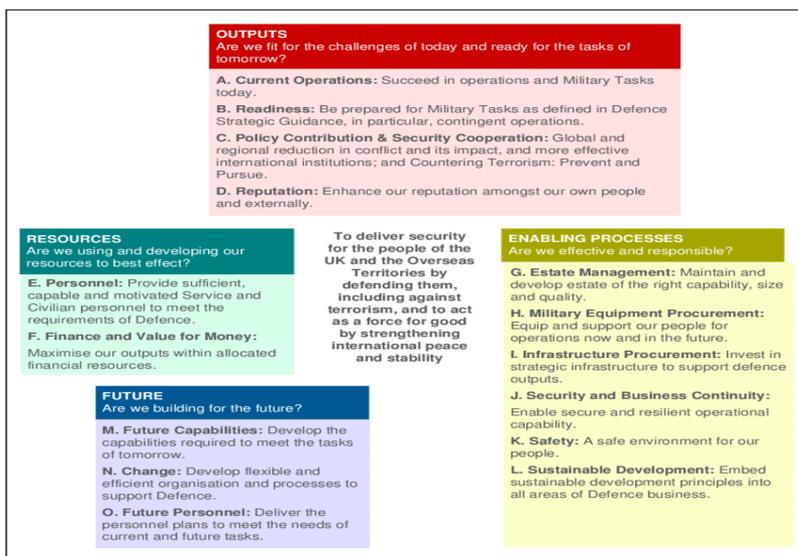


Figure 6 – List of harmonized performances of the British defense system (Стојковић&Стојановић, 2012)

¹³ Gillis H. Lee, Jerry Harbour, „Performance Measurement, a critical element in transformation of the Canadian Forces,” *Canadian Forces College*, 13 May 2018, <https://www.cfc.forces.gc.ca/259/281/276/335.pdf>, 13/12/2020.

¹⁴ Ministry of Defense the United Kingdom, „Defence Plan 2010-2014”, *Department of National Defence*, London, 2009, pp. 250-265.

¹⁵ Ministry of Defense the United Kingdom, „Capability Action Plan”, *Department of National Defence*, London, 2010, pp. 126-140.

The BSC concept implemented in the UK is based on a model that contains four perspectives: Purpose, Enabling Processes, Resources and Future Capabilities - Figure 6.

Moreover, as in the British defense system the situation is similar when choosing perspectives and determining the list of harmonized performances of the Canadian defense system. After determining the abovementioned lists, the strategic map shows the interconnections and interrelations of the selected perspectives and performances (Figure 7).

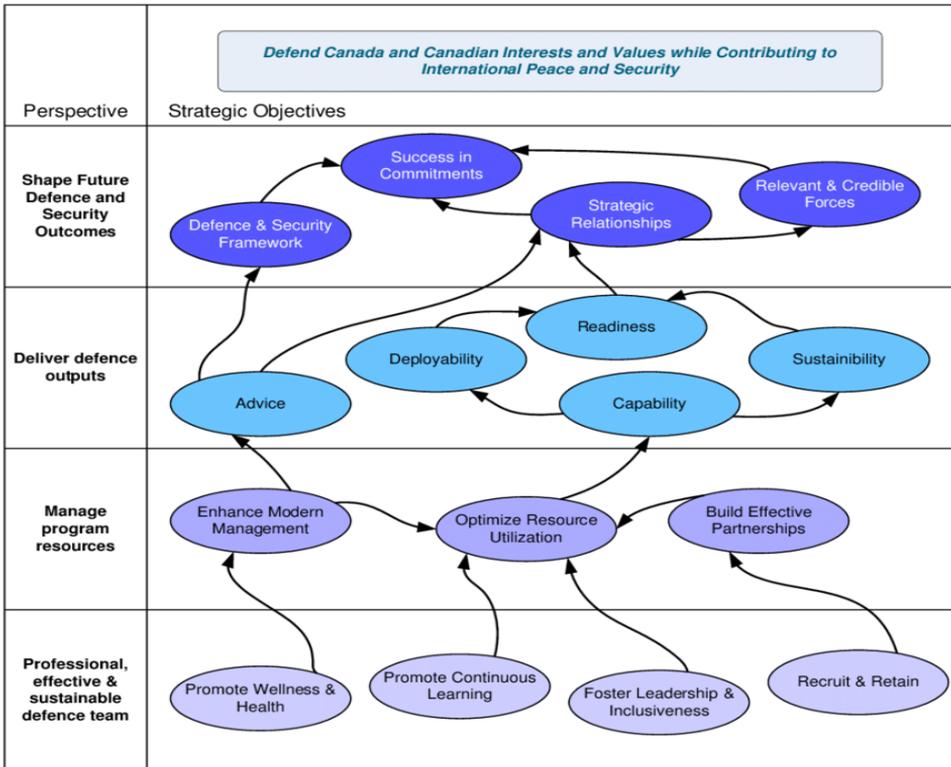


Figure 7 – Strategic Map of the Defense System of Canada
(Стојковић&Стојановић, 2012)

The outcomes of the performance management process of the defense system of foreign countries, i.e. the achieved level of strategic aims set in their planning documents, are shown on dashboards, as well as in the performance management process of non-profit organizations. Therefore, the effects achieved in the described process are generally interpreted on the basis of the manager's dashboard, i.e. on

the basis of the so-called traffic light approach.¹⁶ For example, the dashboard of the UK defense system is presented for a certain period of time, in terms of performances within perspectives, and the degree of the achievement of aims is shown in colors through the key performance indicators on a six-point linguistic scale (Figure 8): satisfactory (green), minor weaknesses (yellow), severe weaknesses (pink), critical weaknesses (red), no available data (white) and the indicator is not defined (gray).

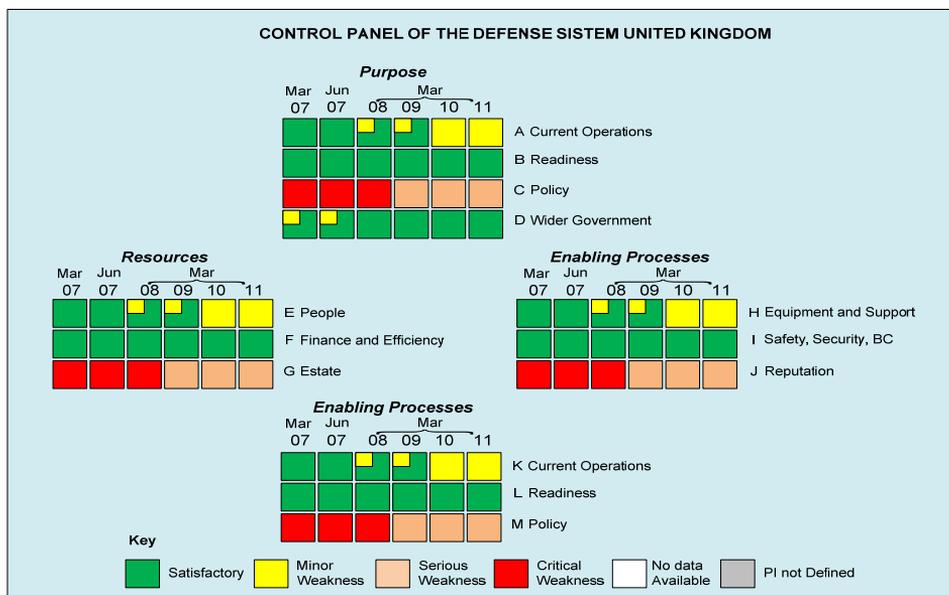


Figure 8 – Example of the dashboard of the UK defense system (<https://www.gov.uk/performance/site-activity-ministry-of-defence/top-department-referrers>)

In open sources, the other visual solutions of the dashboard of the performance management process of the defense system of the United Kingdom can be found, but for the purposes of the research, this example has been selected as the most suitable one. The analyzed elements of the performance management process of the defense systems of Great Britain and Canada have served as conceptual solutions for the development of certain parts of the proposal of the performance management model of the defense system of the Republic of Serbia.

¹⁶ Дакић Павле, Ђорђевић Сениша, „Менаџерске контролне табле”, *Викенд менаџмента*, Златар, 2010, стр. 50-58.

Proposal of the performance management model for the defense system of the Republic of Serbia

In contrast to the described approach in foreign countries, our authors believe that the performance management of the defense system has to be adapted to the performance management process implemented in non-profit organizations.¹⁷ In that sense, the defense system of the Republic of Serbia develops the capabilities necessary for the protection of defense interests, in whose development performance management plays a very important role.

The content analysis of planning documents has showed that based on the commitments expressed in the 2015 Strategic Defense Review of the Republic of Serbia, and in order to improve management in the defense system, the MoD organizational unit responsible for strategic planning has drafted a model of defense system performance management (hereinafter referred to as draft model).

The aim of drafting this model has been reflected in an attempt to enable monitoring the accomplishment of strategic aims, a comprehensive overview of the state of the defense system, as well as a quick and simple identification of the key problems by defense system performance management.

The draft model is based on the concept of the Harmonized Performance List (BSC), with the aim of enabling monitoring the organizational performances of the defense system from different angles, their measurement and improvement. Taking into account the specifics of the defense system of the Republic of Serbia, the perspectives, the most significant performances of the defense system, the way of measuring them and presenting the results have been defined. To measure the value of performances, key indicators, their target and limit values have been determined.

Since not all indicators can be measured and monitored, in cooperation with the organizational units of the MoD and SAF, indicators that show the basic characteristics of performances - key indicators have been proposed.

The conceptual idea of the draft model is to be applicable at all organizational levels of the MoD and SAF with the implementation of the existing reporting system in the defense system of the Republic of Serbia. It is planned to enable the management of the defense system to take concrete measures in order to improve the overall situation in the MoD and SAF. The draft model includes three phases of the performance management process: Phase 1 - determining the perspectives and performances of the defense system; Phase 2 - measuring the performances of the defense system and Phase 3 - displaying the results (Figure 9).

¹⁷ Николић Дејан, Ковач Митар, Митић Влада, „Менаџмент у обрани – основне функције”, Војно дело бр. 1, Београд, 2019, стр. 122.

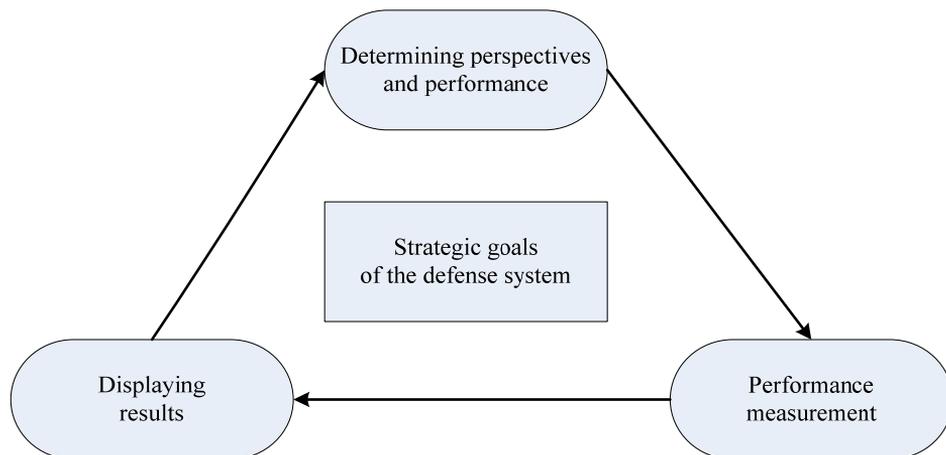


Figure 9 – *Phases of defense system performance management*
(Organizational unit of the Ministry of Defense in charge of strategic planning, 2015)

The mentioned phases are similar to the phases of the performance management process of non-profit organizations.¹⁸ In this regard, during the development and partial implementation of the draft model, certain achievements have been made, which indicated the possibility of a comprehensive overview of the state of the defense system, i.e. the role of the model in monitoring the performances of the MoD and SAF and measuring the accomplishment of strategic aims.

Taking into account the specifics of the defense system of the Republic of Serbia, the draft model proposes four perspectives: outcomes, resources, processes and development (Figure 10):

- Perspective „Outcomes” – should provide information on the fulfillment of the current tasks and the readiness of the defense system for the future challenges;
- Perspectives „Processes” – should provide knowledge on the quality of the key processes in the defense system;
- Perspectives „Resources” – should provide information on the state of resources available to the defense system;
- Perspective „Development” – should provide data on the possibility of continuous improvement and the defense system value creation.

¹⁸ Балабан Неђо, Ристић Живан, „Управљање перформансом”, *M&SYSTEMS. Со.*, Нови Сад, 2012, стр. 65-72.

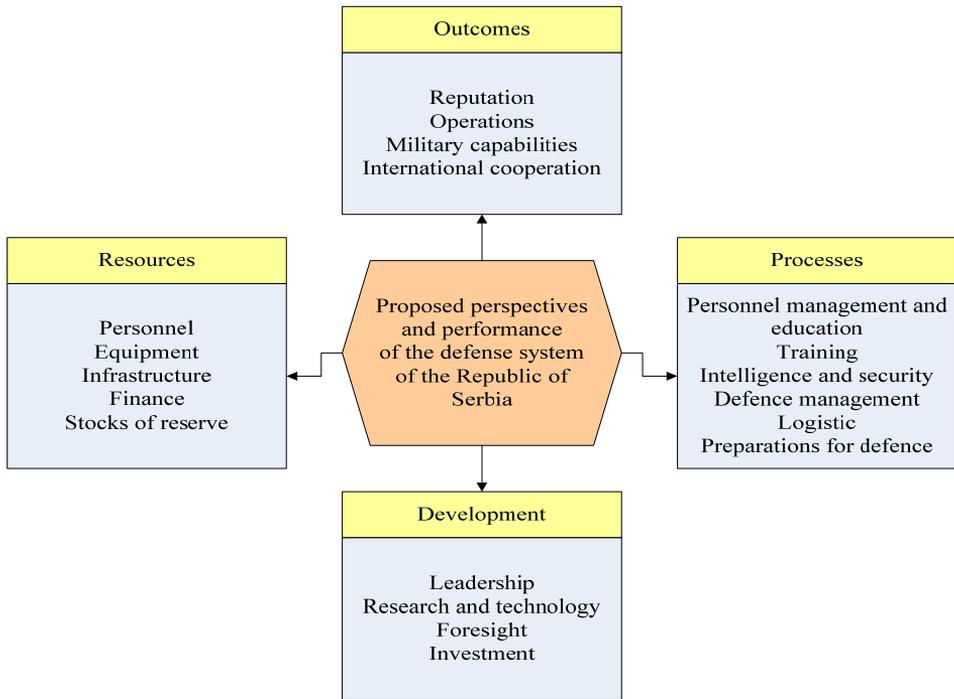


Figure 10 – *Proposed perspectives and performances of the defense system of the Republic of Serbia*

(Kankaraš, Stojković&Kovač, 2014)

The draft model envisages that each perspective will provide different data on the defense system, i.e. on the performances that characterize the effectiveness and efficiency of the defense system. However, not all performances have the same degree of significance for the defense system. The low level of some performances will not affect the functioning of the defense system, i.e. its survival may depend on the level of some performances. In this sense, and in the performance measurement phase, the relative weights of performances have been determined within the perspective by their weighting.¹⁹

In accordance with the established perspectives and performances, a proposal for the strategic map of the defense system of the Republic of Serbia has been made (Figure 11).

¹⁹ Симеуновић Барбара, „Развој модела за мерење перформанси процеса“, *Факултет организационих наука*, Београд, 2015, стр. 44-88.

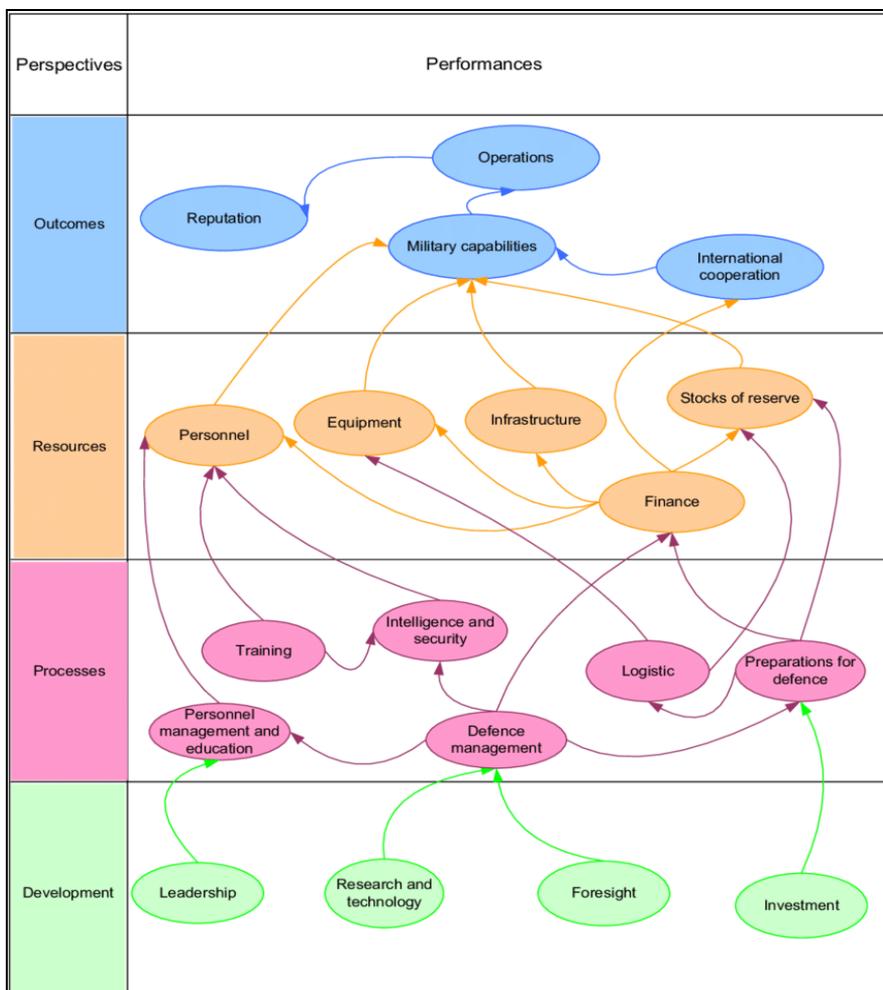


Figure 11 – Proposal of the strategic map of the defense system of the Republic of Serbia (Kankaraš, Stojković&Kovač, 2014)

By drafting the model, the strategic management of the MoD and SAF has pointed out that in the coming period it is necessary to critically consider the proposed perspectives and performances, to update them and to create the final form of the strategic map.

The achieved effects of the defense system of the Republic of Serbia are shown on the dashboard (Figure 12). Currently, there is no software developed in the MoD and SAF for data processing and display on the control panel. The reasons for this situation have been present for many years because the MoD and SAF did not consider the performance management process of the defense system particularly significant, and the existing

solutions are mainly based on the knowledge gained in the middle of the last decade, which also applies to the effects visible on the dashboard. More precisely, this trend was not in compliance with the commitments expressed in the 2015 Strategic Defense Review of the Republic of Serbia because in its introductory part the development of a model of the defense system performance management was announced. Thus, in the meantime, there have been no significant changes in this area, as the priorities in the field of strategic planning are aimed at improving the current model of planning the development of the defense system based on capabilities. In order to overcome the resulting vacuum, it is necessary to continue the process of introducing and developing the performance management model of the MoD andSAF, as well as establishing a unique information system for the defense system performance management.

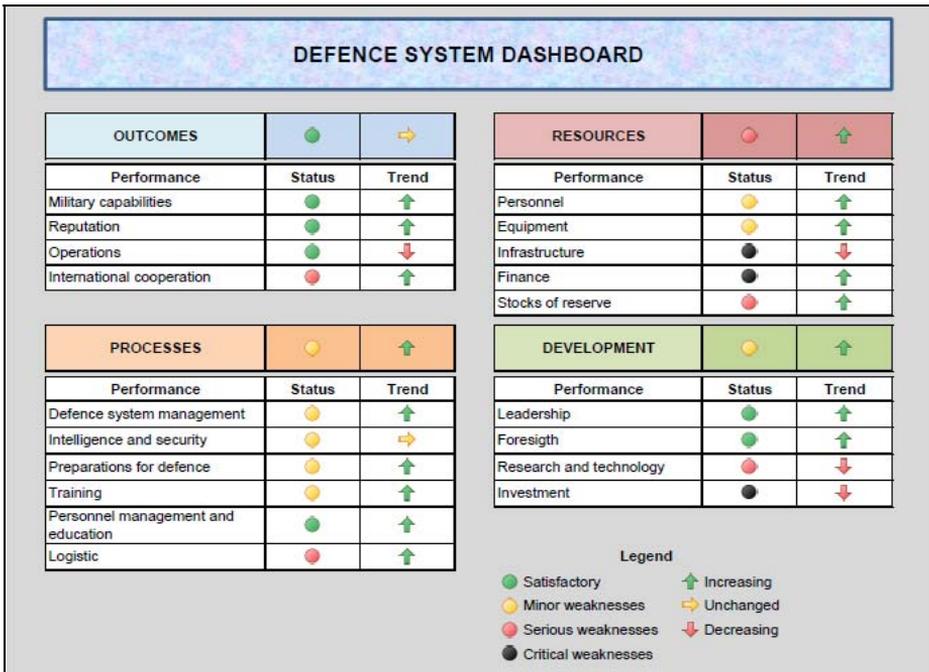


Figure 12 – Dashboard proposal of the defense system of the Republic of Serbia (Kankaraš, Stojković&Kovač, 2014)

The proposed draft model can enable defining the new defense system performances, and performance measurement can provide information on the current state, the key problems and the future trends of the defense system.

Given the possibilities of the performance management process of non-profit organizations in terms of predicting future trends in their development, this process has increasingly become the subject of interest of many researchers in the field of

defense sciences.²⁰ More precisely, significant progress has been made in determining the status and forecasting the performance trend, which indicates the possibility of implementing these procedures in the process of monitoring the implementation of planning documents, especially development planning documents of the defense system of the Republic of Serbia.²¹

Based on the commitments expressed in strategic-doctrinal and other planning documents, and in order to improve the strategic management in the MoD and SAF, the perspective of developing a special model of the defense system performance management based on different models of the performance management of non-profit organizations is pointed out. The development of a special model enables monitoring the accomplishment of strategic aims, a comprehensive overview of the state of the defense system, as well as a quick and simple identification of the key problems during the implementation of planning documents.

Conclusion

Performance management of the defense system as a non-profit organization is important from the point of view of achieving strategic aims set out in the strategic-doctrinal and other planning documents. Within the process of performance planning, its target levels are defined and the aspiration to reform the traditional approach to the budgeting process in the defense system as a non-profit organization, i.e. its shift towards the results-based budgeting, i.e. the achieved performance is expressed.

The further development of the performance management process of the defense system of the Republic of Serbia should be based on the experience of implementing this process in the defense systems of the foreign countries, regardless of numerous professional and methodological problems, as well as specificity that may arise during the defense system financing. Also, in addition to the abovementioned knowledge, it is necessary to consider the experiences of the advanced non-profit organizations in the country.

The conducted research has pointed out a significant number of the elements of non-profit organizations, which have been implemented during the development of the proposed model of the performance management of the defense system of the Republic of Serbia, and above all the structure of the model, the form of a strategic map and visual appearance of the dashboard. Considering the stated facts, it is necessary to point out that the greatest influence on the possibility of introducing the performance management process in the defense system as a non-profit organization has been exerted by the implementation of the BSC concept.

Introducing the contemporary methods, tools and techniques of strategic management, the described performance management model of non-profit organizations

²⁰ Димић Срђан, „Стратегијско управљање транспортом у систему одбране Републике Србије”, докторска дисертација, *Универзитет одбране*, Београд, 2016, стр. 11-23.

²¹ Канкараш Милан, „Унапређење функције управљања људским ресурсима у систему одбране”, докторска дисертација, оп. цит., стр. 33-54.

and the defense systems of foreign countries, can be successfully implemented, in the form of a special model, in the performance management of the MoD and SAF, as well as the other entities of the defense system of the Republic of Serbia.

References

- [1] Anthony N. Robert, Vijay Govindarajan, „Management Control Systems”, *Mc Graw Hill*, New York, 2007.
- [2] Angelis Diana, Webb Natalie, „Improving Performance Measurement in Defense Organizations”, *The Journal of the American Society of Military Comptrollers*, Monterey, 2009.
- [3] Балабан Неђо, Ристић Живан, „Управљање перформансом”, *M&I SYSTEMS.Co*, Нови Сад, 2012.
- [4] Berman M. Evan, „Productivity in Public and Non Profit Organizations: Strategies and Techniques”, *Sage Publications*, 2007.
- [5] Gillis H. Lee, Harbour Jerry, „Performance Measurement, a critical element in transformation of the Canadian Forces”, *Canadian Forces College*, 13 May 2018, <https://www.cfc.forces.gc.ca/259/281/276/335.pdf>, 13/12/2020.
- [6] Дакић Павле, Ђорђевић Сениша, „Менаџерске контролне табле”, *Викенд менаџмента*, Златар, 2010.
- [7] Dennis R. Young, „The first three years of NML: Central Issues in the Management of Non-profit Organization”, *John Wiley & Sons*, New Jersey, 2003.
- [8] Димић Срђан, „Стратегијско управљање транспортом у систему одбране Републике Србије”, докторска дисертација, *Универзитет одбране*, Београд, 2016.
- [9] Kankaraš Milan, Stojković Dejan, Kovač Mitar, „Application of the balanced score-card in defence performance management”, *Међународни симпозијум SYMORG*, Zlati-bor, 2014.
- [10] Канкараш Милан, „Унапређење функције управљања људским ресурсима у систему одбране”, докторска дисертација, *Универзитет одбране*, Београд, 2016.
- [11] Kaplan S. Robert, Norton P. David, „Transforming the Balanced Scorecard from Performance Measurement to Strategic Management: Part I”, *Harvard Business School Publishing*, Boston, 2011.
- [12] Kaplan S. Robert, Norton P. David, „Strategy Maps – Converting Intangible Assets into Tangible Outcomes”, *Harvard Business School Press*, Brighton, 2004.
- [13] Крстић Бојан, „Елементи идетерминанте процеса управљања перформансама непрофитних организација”, *Економски факултет*, Ниш, 2014.
- [14] Крсмановић Зоран, Бркљач Ненко, Талијан Мирослав, „Индикатори перформанси који обезбеђују квалитет истраживачког процеса у војним наукама”, *Војно дело* бр. јесен, 2013.
- [15] Kenneth A. Merchant, Van der Stede Wim, „Management Control Systems - Performance Measurement, Evaluation and Incentives”, *FT Prentice Hall*, London, 2003.
- [16] Крстић Бојан, Пешић, А. М., „Балансна карта у функцији стратегијског управљања непрофитним организацијама”, *Стратегијски пројектни менаџмент и пројектно лидерство*, Ниш, 2015.

[17] Ковачевић Ненад, Домјанчић Стјепан, Ковач Митар, „Стратегијски менаџмент у војно-организационим системима”, *Војно дело* бр. 3, 2018.

[18] Мак Антонио, Ковачевић Ненад, Ковач Митар, „Историјски развој стратегијског менаџмента”, *Војно дело* бр. 7, 2019.

[19] Ministry of Defense the United Kingdom, „Defence Plan 2010-2014”, *Department of National Defence*, London, 2009.

[20] Ministry of Defense the United Kingdom, „Capability Action Plan”, *Department of National Defence*, London, 2010.

[21] Николић Дејан, Ковач Митар, Митић Влада, „Менаџмент у одбрани – основне функције”, *Војно дело* бр. 1, Београд, 2019.

[22] Niven R. Paul, „Balanced scorecard корак по корак”, *Masmedia*, Zagreb, 2007.

[23] Oxford University Press, „Dictionary of Business and Management”, *Market House Books*, Oxford, 2006.

[24] Обрадовић А. Тијана, „Концепту прављања пословањем заснован на индикаторима финансијских перформанси”, докторска дисертација, *Факултет организационих наука*, Београд, 2014.

[25] Poister H. Theodore, „Measuring Performance in Public and NonProfit Organizations”, *Jossey Bass*, 2003.

[26] Pravdić Predrag, „BSC u profitnim I neprofitnim organizacijama”, *38. Nacionalna konferencija o kvalitetu života FQ2011*, Београд, 2011.

[27] Sawhill John C., Williamson David, „Mission Impossible? Measuring Success in Nonprofit Organizations”, *John Wiley & Sons*, New Jersey, 2010.

[28] Симеуновић Барбара, „Развој модела за мерење перформанси процеса”, докторска дисертација, *Факултет организационих наука*, Београд, 2016.

[29] Subošić Dane, Nešić Miladin, „Концепт управљања утицајем у полицијској организацији”, *Управљање полицијском организацијом у спречавању и сузбијању претњи безбедности у Републици Србији*, Криминалистичко-полицијска академија, Београд, 2017.

[30] Stojković Dejan, Mitić Vlada, Saković Radiša, „Measuring the performance of the Police”, *Међународни научни скуп „Дани Арчибалда Рајса“*, Криминалистичко-полицијска академија, Београд, 2019.

[31] Стојковић Дејан, Стојановић Љупча, „Strategic Defence Performance Management”, *XIII International Symposium SYMORG*, Златибор, 2012.

[32] Chapman S. Christopher, „Controlling Strategy, Management, Accounting, and Performance Measurement”, *Oxford University Press*, Oxford, 2005.

Possibilities of Implementing the Performance Management Process of Non-profit Organizations to the Defence System

The defense system of the Republic of Serbia, as a non-profit organization, is completely dominated by the non-economic aims, in relation to purely economic (profit) aims. The determined strategic aims in the planning documents of the defense system of the Republic of

Serbia are harmonized with its defense interests and are prioritized in achieving through spending financial resources, in order to achieve the required capabilities of the Ministry of Defense and the Serbian Army, as well as the other defense entities. This situation like this, conditioned the cause of the impossibility to real assessment of the success of the defense system in achieving the set strategic aims only assisted by the usual economic (profit) criteria, but also required searching the new methods, tools and techniques for evaluating its effectiveness and efficiency through the introduction of non-economic (non-profit) criteria.

In the defense system of the Republic of Serbia, there is a stable process of evaluating the situation, of the operational and the functional capabilities of the Ministry of Defense and the Serbian Army, as well as the capabilities of the other military and civil defense entities. However, this manner of evaluation gradually deviates from its relevance and actuality and partially from modern methods, tools and techniques applied by the defense systems of foreign countries. In this regard, the paper singles out a specific research problem aimed to overcoming the traditional comprehension (understanding) of the performance management process of the Ministry of Defense and the Serbian Army, i.e. the gradual introduction of the performance management process of the defense system of the Republic of Serbia.

Taking into consideration the complexity of the mentioned research problem and the current level of development of the defense system of the Republic of Serbia, the subject of the research is based on consideration the possibilities of application the performance management process of non-profit organizations in the Ministry of Defense and the Serbian Army. In that regard, the paper starts from the hypothetical attitude that the certain elements of the performance management model of non-profit organizations and primarily of the strategic map and dashboard, can be applied in an successful manner, during the development of a special performance management model of the Ministry of Defense and the Serbian Army, i.e. the performances of the other entities of defense of the Republic of Serbia.

The aim of this paper is to point out through the presentation of the strategic map and the dashboard the performance management model of non-profit organizations, the possibility to draft and to propose a special performance management model of the Ministry of Defense and the Serbian Army, including a brief overview to the certain solutions, within the defense systems of foreign countries and primarily to defense systems of the Great Britain and Canada.

The proposed model indicates that there are objective possibilities for the application of the performance management process of non-profit organizations in the Ministry of Defense and the Serbian Army, as well as in the other entities of the defense system of the Republic of Serbia.

Key words: management, performance, non-profit organizations, model, strategic map, dashboard, defense system

© 2021 The Authors. Published by *Vojno delo* (<http://www.vojnodelo.mod.gov.rs>). This article is an open access article distributed under the terms and conditions of the Creative Commons Attribution license (<http://creativecommons.org/licenses/by/3.0/rs/>).

