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Application of the balanced scorecard (BSC) model in performance management of nonprofit organizations: the case of UNICEF

Primena modela balanced scorecard (BSC) u upravljanju performansama neprofitnih organizacija: primer UNICEF-a

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Abstract

Nonprofit organizations are increasingly striving to improve their performance measurement systems to ensure more efficient resource management and successful achievement of their social objectives. In this context, the Balanced Scorecard (BSC) represents a significant instrument that enables integrated monitoring of organizational performance through financial and non-financial indicators. The aim of this paper is to examine the application of the BSC concept in the performance management of nonprofit organizations, with particular reference to UNICEF. The research focuses on relationships between key dimensions of the performance measurement system, such as performance awareness, the use and relevance of indicators, understanding of the strategy, employee involvement, and monitoring mechanisms. The empirical study was conducted using the survey method, while data analysis included descriptive statistics, Pearson correlation analysis, and multiple regression analysis. The results indicate statistically significant relationships among most analyzed variables, with the use of performance indicators, the relevance of indicators, and understanding of the strategy showing a significant impact on the effectiveness of the monitoring system. The findings indicate the importance of implementing integrated performance measurement systems in the nonprofit sector and contribute to a better understanding of the application of the BSC concept in organizations operating in the field of social development.
Keywords: *Balanced Scorecard (BSC), performance measurement, nonprofit organizations, performance management, UNICEF*

Sažetak

Neprofitne organizacije sve više nastoje da unaprede sisteme merenja performansi kako bi obezbedile efikasnije upravljanje resursima i uspešnije ostvarivanje društvenih ciljeva. U tom kontekstu, Balanced Scorecard (BSC) predstavlja značajan instrument koji omogućava integrisano praćenje organizacionih performansi putem finansijskih i nefinansijskih pokazatelja. Cilj ovog rada je da ispita primenu BSC koncepta u upravljanju performansama neprofitnih organizacija, sa posebnim osvrtom na UNICEF. Istraživanje je usmereno na odnose između ključnih dimenzija sistema merenja performansi, kao što su svest o performansama, upotreba i relevantnost pokazatelja, razumevanje strategije, uključenost zaposlenih i mehanizmi praćenja. Empirijsko istraživanje sprovedeno je metodom ankete, dok je analiza podataka obuhvatila deskriptivnu statistiku, Pearsonovu korelacionu analizu i višestruku regresionu analizu. Rezultati ukazuju na statistički značajne odnose između većine analiziranih varijabli, pri čemu upotreba pokazatelja performansi, relevantnost pokazatelja i razumevanje strategije značajno utiču na efikasnost sistema praćenja. Nalazi ukazuju na značaj primene integrisanih sistema merenja performansi u neprofitnom sektoru i doprinose boljem razumevanju primene BSC koncepta u organizacijama koje deluju u oblasti društvenog razvoja.
Ključne reči: *Balanced Scorecard (BSC), merenje performansi, neprofitne organizacije, upravljanje performansama, UNICEF.*

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1. Introduction

"You can't manage what you don't measure."
Peter Drucker

In the contemporary business environment, strategic management is no longer solely a concern of profit organizations, but is increasingly gaining importance in the nonprofit sector as well. Although nonprofit organizations do not pursue financial profit, they face many challenges in defining, implementing, and evaluating strategies that ensure their sustainability and impact within the community. The growing pressure from donors, the public, and other stakeholders further emphasizes the need for transparent and effective systems of management and organizational performance measurement. One of the most effective tools used for the implementation of strategic management is the BSC concept, which was initially developed for the needs of the corporate sector, but is increasingly applied in nonprofit organizations for performance measurement and for aligning activities with long-term objectives. The BSC is considered a process that builds consensus and clarity on how to translate strategy into operational objectives and measures (Taufik et al., 2021). In general, the BSC facilitates the transformation of an organization`s strategy into measurable outcomes, encouraging organizations to balance short-term financial goals with long-term strategic priorities (Madsen, 2025). Kaplan and Norton (2008) define the BSC as "a set of measures that gives top managers a fast and comprehensive view of the business". Due to its contribution to organizational management, it is often emphasized that the BSC concept has evolved from a performance measurement tool into a new system for managing organizations, which is also confirmed by Stanišić and Mašić (2009), who describe this concept as a crucial method of the strategic management system. Marr and Schiuma (2003) also emphasize the BSC as an effective management tool, which forms the basis for predicting the future development of an organization. One of the greatest advantages of the BSC is its ability to integrate different aspects of organizational operations into a coherent management model, thereby providing a clearer understanding of how organizational objectives are achieved at different levels. This system encourages organizations to direct their activities towards long-term strategic outcomes rather than relying exclusively on short-term financial indicators. Contemporary research confirms that the BSC remains one of the most important tools of strategic management in both public and nonprofit organizations, especially in the context of increasing demands for measuring social impact and organizational accountability. As a result, the BSC is applied across a wide range of industries and sectors, from the corporate and public sectors to education and healthcare, enabling a more effective connection between strategy and operational activities. Authors Kaplan and Norton (2008) identify a nine-step process as the basis for the creation and implementation of the Balanced Scorecard within an organization:

- overall organizational assessment;
- identification of strategic themes;
- definition of perspectives and strategic objectives;
- development of a strategic map;
- development of performance metrics;
- prioritization of strategic initiatives;
- automation and communication;
- implementation of the organizational Balanced Scorecard;
- data collection, evaluation, and revision.

The application of the BSC in nonprofit organizations enables a comprehensive approach to strategic management through integration of several different perspectives: financial sustainability, the effectiveness of internal processes, user satisfaction and social impact (Kazanskaia, 2025). Unlike profit-oriented organizations, in which financial performance is the dominant indicator of success, nonprofit organizations must balance sustainability, efficiency, and the fulfillment of their social mission. An approximate definition of nonprofit organizations clearly indicates that they are of considerable interest to both theorists and practitioners due to their distinctive character, the high complexity of their activities and the diverse relationships they maintain with their environment (Helmig et al., 2004). Nonprofit organizations are primarily focused on customer satisfaction in accordance with the defined mission and vision, without an emphasis on financial gain. For this reason, the classical BSC architecture must be modified in order to rearrange the priorities. Consequently, in public and nonprofit organizations, financial indicators and the financial perspective are not placed at the forefront as they are in profit-oriented organizations. Considering the heterogeneity of the nonprofit sector, the application of the BSC model may take different forms depending on the nature of activities and the organizational specificities of individual organizations (El Ashfahany et al., 2024). Some nonprofit organizations use the original BSC framework, while others adapt the concept (Bean & Jarnagin, 2002). Herzlinger (1996) proposes a different approach, suggesting that nonprofit organizations should focus on four groups of stakeholders in the organization, in order to obtain a comprehensive overview of performance. These stakeholder groups include donors, beneficiaries, employees and the wider public (Herzlinger, 1996). It is inevitable that many nonprofit organizations encounter difficulties in measuring progress towards achieving their organizational vision. Unlike private sector organizations, nonprofit organizations are unlikely to measure progress primarily in financial terms. However, there are measures that can indicate overall organizational progress. In this regard, nonprofit organizations should focus on three areas: measuring organizational efficiency and resource mobilization, measuring employee effectiveness, and measuring the organization`s progress towards achieving its vision (Poister, 2003).

Kaplan and Norton (2008) emphasize that the application of the BSC model in the nonprofit sector is more frequently directed towards operational rather than strategic adjustment, and, thus, its implementation in practice primarily focuses on improving process efficiency and reducing costs. Stević and Petrović (2016) argue that the implementation of the BSC in nonprofit organizations is equally, or even more, beneficial than in profit-oriented organizations, as it maximizes social welfare. Nevertheless, despite the growing interest in the application of the BSC concept in nonprofit organizations, empirical studies analyzing employees` perception of the functioning of performance measurement systems in international nonprofit organizations remain relatively limited. Based on the above, the aim of this paper is to examine the application of the BSC concept within the performance measurement system of nonprofit organizations, with particular emphasis on employees` perceptions within the organization UNICEF.

2. Application of the Balanced Scorecard (BSC) model in the performance measurement system of UNICEF programs

UNICEF, as one of the leading international organizations within the United Nations system, whose mandate is focused on the protection of children`s rights and the promotion of their well-being, bases its activities on the principles of efficiency, transparency, and accountability. In the conditions of an increasingly complex global environment, characterized by humanitarian crises and development challenges, the need for a systematic and integrated approach to performance measurement becomes essential. In this context, the BSC represents a relevant conceptual and operational framework that enables the linkage of strategic objectives with operational activities and measurable results. Contemporary literature emphasizes that the BSC is increasingly applied in the nonprofit and public sectors as an instrument of strategic management, rather than merely as a control mechanism. As Hoque (2014) points out, the BSC is "an integrated measurement system that links non-financial and financial indicators with the organization`s strategy, enabling the monitoring of the implementation of strategic priorities". Similarly, Northcott and Taulapapa (2012) point out that in the public sector the BSC is particularly significant, as it allows for balancing accountability to donors with the actual impact on service beneficiaries.

The application of the BSC in the context of UNICEF acquires a specific dimension, since the success of a program is not measured by profitability, but by the degree to which children`s rights are realized, the quality of services provided, and the sustainability of interventions. In this regard, the BSC enables a comprehensive evaluation that includes financial discipline, program impacts on communities, the efficiency of internal processes, and the organization`s capacity for institutional learning and adaptation. Contemporary research in the field of performance measurement in nonprofit organizations indicates that "successful performance measurement systems integrate multiple perspectives and support results-based management" (Marr & Schiuma, 2003). The performance measurement system in UNICEF is designed to support results-based management, encourage continuous improvement, and enable offices to identify areas for enhancement. The ultimate goal is not merely to monitor achievements, but to attain excellence in key programmatic and operational domains. In this context, the UNISEF Performance Scorecard represents a structured system of indicators that enables the comparison of the performance of offices around the world. The Scorecard consists of a set of Key Performance Indicators (KPIs) that measure progress across five relevant areas: program results monitoring, quality assurance, human resources, partnerships, and financial management. This structure is aligned with contemporary BSC approaches in the public sector, where, in addition to the financial perspective, significant emphasis is placed on the customer (beneficiary) perspective, internal processes, and learning and growth. A particular value of this system lies in the standardization of indicators at the global level. By using uniform KPIs, each office, including the UNICEF office in the Republic of Serbia, has the ability to compare its performance with offices of similar budget size, income level, or type of emergency response. This approach enables benchmarking, fosters internal competitiveness and facilitates the identification of best practices. The system includes two types of indicators:

- "Track 1" indicators represent a universal set of management and operational KPIs applied across the entire organization, including country and regional offices, as well as headquarters in New York. These indicators are directly linked to the *Organization`s Strategic Plan* and cover areas such as human resources, partnerships, financial management, and quality assurance;
- "Track 2" indicators are specific to each office and are defined in accordance with the priorities established within the Country Programme Document (CPD) and annual management plans. This ensures a balance between global standardization and local relevance.

From a methodological perspective, UNICEF`s performance measurement system represents a hybrid BSC model that integrates elements of other contemporary approaches to performance measurement. One such approach is the Performance Measurement Blueprint (PuMP®), which emphasizes that the purpose of measurement is to encourage improvements rather than merely control results (Barr, 2014). In addition, elements of Data Envelopment Analysis (DEA), a method that enables the assessment of the relative efficiency of organizational units through the concept of frontier analysis (Zarei & Emrouznejad, 2024). The performance of individual offices is expressed through a performance index (ranging from 0.00 to 1.00), obtained on the basis of aggregated KPI scores relative to their maximum possible values. The application of scoring and weighting systems ensures a more objective assessment and ranking of offices. Such a structure enhances transparency, promotes internal learning, and enables more rational resource allocation.

Overall, the hybrid BSC model applied by UNICEF represents an example of good practice within the United Nations system. Its value lies not only in the technical structure of indicators, but also in its ability to connect strategy, operational management, and social impact. In this way, the performance measurement system serves not only as a reporting tool, but also as an instrument of strategic management, organizational learning, and the long-term sustainability of the programs.

3. Research methodology

Starting from the importance of performance measurement systems in modern organizations, particularly in the context of international organizations managing complex programs and a large number of performance indicators, the research presented in this paper is primarily focused on analyzing the application of the BSC in monitoring performance and understanding strategy within the UNICEF organization. In this regard, the subject of the research refers to the application of the BSC as an instrument for measuring and monitoring organizational performance within UNICEF, with particular emphasis on its role in understanding strategy, tracking program results, and ensuring the availability of information on organizational performance.

The main objective of the research is to examine the extent to which the application of the BSC model contributes to a better understanding of organizational strategy, more effective monitoring of program results, and greater transparency of information within the organization. Special attention is devoted to analyzing how employees use this instrument, their level of awareness regarding the functioning of the system, as well as their perception of the reliability of the information generated through the BSC. In addition to the main objective, the research also includes several specific objectives:

- to examine the frequency of BSC use in monitoring organizational performance;
- to assess the level of employee awareness regarding the functioning of the BSC;
- to determine the extent to which the BSC helps employees better understand the organization`s strategy and their own role in its implementation;
- to explore the possibilities of real-time performance monitoring and the importance of integrating the system with modern business intelligence tools.

The research was conducted between June and September 2023 in the UNICEF field office in Kosovska Mitrovica. The research sample consisted of 48 employees engaged in various positions within the UNICEF office, who use information on organizational performance and program results in their work. Data collection was carried out using a qualitative approach through the distribution of a survey questionnaire. The questionnaire included a set of questions related to the level of employee awareness of the functioning of the BSC model, the frequency of its use in performance monitoring, the perceived reliability of the information generated by the system, and the role of this instrument in understanding the organization`s strategy. Respondents` answers were measured using a five-point Likert scale, ranging from 1 – strongly disagree to 5 – strongly agree. The research also examined employees` perceptions regarding the possibility of monitoring organizational performance in real time, as well as the importance of integrating the BSC system with modern tools for data analysis and visualization.

In this study, socio-demographic characteristics of the respondents were not included in the analysis. The reason for this is that the primary focus of the research was to examine employees` perceptions of the functioning of the BSC model and its role in the process of monitoring organizational performance and understanding strategy. Given the relatively small sample size, the inclusion of a larger number of socio-demographic variables would not have significantly contributed to a deeper interpretation of the results, but could have led to sample fragmentation and made statistical analysis more difficult.

Descriptive statistics were used to present the basic characteristics of the sample and the distribution of respondents` answers. Correlation analysis was applied to examine relationships between variables, enabling the identification of the strength and direction of associations among the analyzed phenomena. In addition, regression analysis was used to assess the impact of specific variables on the understanding of strategy within the organization. Statistical processing of the collected data was conducted using the software package IBM SPSS Statistics Version 26.

4. Research results

The research conducted for the purposes of this paper indicates a high level of employee awareness regarding the existence and significance of the BSC model in the process of monitoring organizational performance. The obtained results show that this model has evolved over time and has been adapted to the specific needs of the organization, transforming into a hybrid system that integrates various mechanisms for performance monitoring and managerial decision-making. According to the research findings, 70.83% of respondents state that the BSC is regularly used to monitor performance across different model perspectives. A slightly smaller proportion of respondents (10.42%) indicate that the model is applied occasionally, depending on the scope and specificity of work tasks, while 4.17% of employees believe that the model is rarely used in everyday operations. These findings point to a relatively high level of institutionalization of the BSC model within the organization, confirming its importance in the system of program implementation monitoring and organizational performance management.

With regard to employees` level of awareness of how the BSC functions within UNICEF, more than half of the respondents (51.02%) report being very well informed about its operating principles, stating that they understand how the BSC model contributes to linking organizational strategy with the monitoring of program results. Less than one-third of respondents (28.6%) report being fully informed about the principles of the BSC functioning, while 10.2% assess their level of awareness as moderate. A total of 8.16% of employees consider their knowledge of the model to be limited, which may be attributed to insufficient involvement in strategic planning and performance monitoring processes. Despite these limitations among a smaller proportion of respondents, the results indicate that the majority of employees recognize the importance of the BSC model in understanding organizational strategy. Specifically, 56% of respondents state that the BSC fully helps employees better understand the organization`s strategy across different organizational levels. In line with this, 58.4% of respondents recognize the BSC as an instrument that enables better alignment between strategic objectives and operational activities. Respondents also evaluated the reliability of the information generated by the BSC system.

As many as 81.2% of respondents consider the information obtained through the system to be highly reliable, while 16.67% of respondents rate it is as fairly reliable. Employees demonstrate a high level of trust in the information generated by the performance monitoring system, indicating strong confidence in the reliability and relevance of the data used in monitoring program results and supporting managerial decision-making. Regarding the impact of the BSC on the efficiency of strategy implementation, 66.6% of respondents emphasize that this model fully contributes to more efficient implementation of organizational strategy. In this context, the BSC is not perceived solely as a performance measurement tool, but also as an instrument that facilitates the strategic management process.

In accordance with the defined research objectives, particular attention was also given to the possibilities of real-time monitoring of organizational indicators, i.e., the system of continuous performance monitoring.

The results show that the BSC system provides employees with continuous insight into relevant performance indicators, with defined index scores showing the status of each indicator. More than 90% of respondents state that real-time data availability is of exceptional importance for their work, highlighting the importance of transparent and timely access to information. Notably, 78% of respondents indicate that the system enables easier monitoring of the dynamics of program goal achievement and timely response in cases of deviations from planned results.

In addition, the system used by UNICEF offices enables trend analysis of performance for each country over extended time periods. Specifically, data is available for tracking trends over a ten-year period, with index performance indicators presented for each country across different operational perspectives. This provides decision-makers with a comprehensive set of information that supports more effective planning and the definition of corrective measures aimed at improving organizational performance. The research has shown that the hybrid BSC model enables a transparent presentation of program implementation success and the utilization of financial resources over different time periods.

A significant aspect of modern performance management system is the integration of the BSC model with Business Intelligence (BI) systems, i.e., platforms and tools for data visualization and analysis. The case analyzed in this paper confirms that, in practice, the BSC is frequently integrated with tools such as Microsoft Power BI or Tableau, enabling dynamic monitoring of organizational indicators. Such integration provides not only management but also employees at different organizational levels with access to relevant information.

Accordingly, 58% of respondents report fully utilizing modern business intelligence systems integrated with other information systems within UNICEF. More than half of the respondents (64%) emphasize that the integration of the BSC with modern digital tools significantly contributes to increasing the efficiency of organizational processes. It is particularly important to note that the BSC within UNICEF is not limited exclusively to management structures but is accessible to a broader range of employees. Employees have access to various dashboards that include data from human resources, finance, procurement, information technology, and other organizational functions. According to the research results, 64% of respondents report regularly using these visual data displays in their daily work, indicating a high level of digital integration of the organizational performance monitoring system. Such transparency enables employees to better understand their own role in achieving organizational objectives.

With regard to the understanding the organizational strategy, 43.75% of respondents state that the BSC fully helped them better understand UNICEF`s operational strategy, while 33.3% believe that the model significantly contributed to a better understanding of strategic objectives. On the other hand, 18.75% of respondents state that this instrument contributed to some extent, while 4.17% of respondents consider its contribution to be limited. Regarding the level of employee involvement in the BSC implementation process, the results reveal certain differences in perception. Specifically, 43.75% of respondents believe that employees are fully involved in the implementation process, while 25% of respondents report partial involvement. At the same time, 25% of respondents assess the level of involvement as moderate, and 6.25% consider it to be relatively low. Despite these differences, the research results indicate that the BSC significantly contributes to understanding both the organizational strategy and the role of employees in its implementation. In terms of the implementation process, 56.25% of respondents state that they are fully aware of their own role in the strategy implementation process, while 60.42% of respondents emphasize that understanding the organizational strategy and their own contribution to its execution is of great importance for the effective performance of their job responsibilities.

In accordance with the defined research methodology, the following section presents the results of the correlation matrix and the conducted regression analy

Table 1. Correlation matrix of analyzed variables

	INF	USE	REL	STR	INV	MON
INF	1					
USE	.412**	1				
REL	.287*	.524**	1			
STR	.583**	.486**	.334*	1		
INV	.221	.176	.118	.381**	1	
MON	.314**	.682**	.543**	.441**	.203	1

Note. INF – awareness of the BSC system; STR – understanding of strategy; USE – frequency of BSC use; INV – sense of involvement; REL – perceived reliability of indicators; MON – real-time performance monitoring.

Source: Authors' research

Table 2. Regression model: awareness of the BSC system, frequency of BSC use, perceived reliability of indicators, understanding of strategy, and sense of involvement as predictors of real-time performance monitoring

Model Summary			
R	R^2	Adjusted R^2	Std. Error
.820	.670	.630	0.410

Predictor	Beta β	t-value	p-value
INF	.180	1.940	.059
USE	.390	3.880	.001
REL	.270	2.760	.008
STR	.210	2.180	.034
INV	.110	1.290	.203

Source: Author`s research

5. Discussion

The results of the Pearson correlation coefficient, in line with the defined research objectives, indicate the existence of several statistically significant relationships among the analyzed variables, confirming the interdependence of key elements in the application of the BSC model in nonprofit organizations. Contemporary research suggests that the BSC represents an effective instrument for performance management in the nonprofit sector, enabling the integration of financial and non-financial indicators and their alignment with the organization`s mission and strategy (Hoque, 2014; Niven, 2014). A statistically significant relationship was identified between the variables *"awareness of the BSC system"* and *"frequency of BSC use"* ($p = 0.001$; $\rho = 0.412$), indicating a strong positive correlation. Employees in the UNICEF field office in Kosovska Mitrovica who are better informed about the principles of BSC functioning tend to use this model more frequently in their daily work. Similar findings were reported by Ganang et al. (2025), confirming that employees` understanding of the BSC concept significantly influences both the interpretation of performance indicators and the extent of system utilization in practice. Furthermore, Guo et al. (2024) emphasize that effective communication of strategy and a clear understanding of BSC indicators contribute to higher employee engagement and improved comprehension of organizational objectives. The Pearson correlation coefficient also confirms a highly statistically significant relationship between the variables *"awareness of the BSC system"* and *"understanding of strategy"* ($p = 0.001$; $\rho = 0.583$). These results suggest that, beyond its performance measurement function, the BSC plays a crucial role in communicating strategy and linking strategic objectives with employees` daily activities. This is consistent with the findings of Kaplan and Norton (2008) and Hoque (2014), who emphasize that the BSC is a key tool for translating strategy into operational objectives and enhancing understanding across different organizational levels. In nonprofit organizations, particularly international humanitarian institutions, this approach is especially important as it enables the alignment of strategic goals with concrete program activities and expected social outcomes (Niven, 2014).

A significant positive correlation was also identified between the variables *"frequency of BSC use"* and *"perceived reliability of indicators"* ($p = 0.001$; $\rho = 0.524$), indicating that more frequent use of the performance measurement system enhances the perceived reliability and relevance of information. Particularly noteworthy is the relationship between the variables *"frequency of BSC use"* and *"real-time performance monitoring"* ($p = 0.001$; $\rho = 0.682$), suggesting that a higher level of BSC implementation significantly contributes to the efficiency of monitoring and evaluation processes. In the nonprofit context, monitoring and evaluation mechanisms for tracking program outcomes and ensuring accountability in the use of donor funds. Contemporary research indicates that BSC systems facilitate the development of structured indicator frameworks that connect operational activities with strategic objectives (Hoque, 2014; Niven, 2014). The results also reveal a significant positive correlation between the variables *"perceived reliability of indicators"* and *"real-time performance monitoring"* ($p = 0.001$; $\rho = 0.553$). In the nonprofit sector, particularly in donor-funded organizations, transparency and data reliability are critical elements of accountability and performance management. On the other hand, the variable *"sense of involvement"* shows a relatively weak relationship with most analyzed variables, with a statistically significant correlation observed only with the variable *"understanding of strategy"* ($p = 0.001$; $\rho = 0.381$). These findings may be interpreted in light of the specific characteristics of financial management in nonprofit organizations, where investment activities often depend on donor programs and project-based funding.

Overall, the research results indicate that infrastructure, system usage, strategy, and monitoring represent interrelated factors that significantly influence the effectiveness of BSC implementation in nonprofit organizations. The findings support contemporary literature emphasizing the BSC as a key instrument for enhancing performance management in public and nonprofit organizations, as it enables the integration of multiple perspectives and indicators into a unified strategic management system (Hoque, 2014; Niven, 2014).

In order to examine the impact of independent variables (awareness of the BSC system, frequency of BSC use, perceived reliability of indicators, understanding of strategy, and sense of involvement) on the dependent variable (real-time performance monitoring), regression analysis was conducted. The multiple correlation coefficient is $R = 0.82$, indicating a strong relationship between the set of independent variables and the dependent variable. The coefficient of determination $R^2 = 0.67$ shows that the independent variables collectively explain 67% of the variance in the dependent variable, indicating a relatively high explanatory power of the model. The adjusted coefficient of determination ($Adjusted\ R^2 = 0.63$) confirms that the model retains substantial explanatory strength even after adjusting for the number of predictors. A detailed analysis indicates the following:

- Among the analyzed predictors, based on the significance levels of the standardized coefficients β, it is observed that *awareness of the BSC system* ($\beta = .180$) is not a statistically significant predictor of *real-time performance monitoring*.
- Among the analyzed predictors, based on the significance levels of the standardized coefficients β, it is observed that *frequency of BSC use* ($\beta = .390$), *perceived reliability of indicators* ($\beta = .270$), and *understanding of strategy* ($\beta = .210$) are statistically significant predictors of *real-time performance monitoring*.
- Among the analyzed predictors, based on the significance levels of the standardized coefficients β, it is observed that *sense of involvement* ($\beta = .180$) is not a statistically significant predictor of *real-time performance monitoring*.

The obtained results significantly contribute to a better understanding of how the BSC model is applied in nonprofit sector organizations, particularly within international institutions managing complex development and humanitarian programs. The findings are consistent with contemporary theoretical and empirical research that emphasizes that the BSC enables the integration of strategic planning, performance measurement, and organizational learning processes into a unified performance management system (Hoque, 2014). Furthermore, recent literature highlights that the BSC increasingly functions as a platform for integrating various data sources and analytical tools, enabling organizations to monitor program performance in real time and make informed managerial decisions (Niven, 2014). In this context, the results of this study further confirm the importance of the BSC model as an integrated framework for strategic management and performance monitoring in nonprofit organizations, indicating that its successful implementation depends not only on technical infrastructure but also on the level of employee awareness and involvement in the strategy implementation process.

6. Conclusion

The BSC concept is increasingly recognized as a tool that can help nonprofit organizations manage their resources more effectively by focusing on all key aspects of their operations. Through the application of the BSC, employees gain a clearer understanding of the strategy and their role in its implementation, thereby contributing to more effective strategy execution. It is essential to develop efficient methods for collecting, analyzing, and interpreting performance data to ensure successful BSC implementation in the nonprofit sector. The application of the BSC in nonprofit organizations enables real-time insight into each perspective, accompanied by immediate index-based performance evaluation. This allows organizations to monitor performance across all key areas and respond quickly to emerging needs. Trend monitoring further enables organizations to adopt a proactive approach, identifying potential problems and opportunities in a timely manner. Additionally, the compatibility of the BSC with modern business intelligence systems provides significant advantages for organizations. Integration of the BSC with such systems allows for the automation of data collection, analysis, and interpretation, enabling faster access to performance information and more informed decision-making. These findings strongly support the application of the BSC in the nonprofit sector. Its implementation can generate numerous benefits and enable nonprofit organizations to achieve their objectives more effectively and efficiently.

The practical implications of the research results suggest that organizations that implement the BSC model should pay special attention to employee education and the development of their understanding of performance measurement systems. Increasing awareness and actively involving employees in performance monitoring processes can enhance understanding of organizational strategy and strengthen their motivation to achieve established goals. Furthermore, integrating the BSC with modern digital tools and business intelligence systems can further improve performance management efficiency and enable faster identification of areas requiring corrective action. However, it is necessary to acknowledge certain limitations. The research is based on a relatively small sample size, which may affect the generalizability of the results. Additionally, the data was collected using perceptual measures, meaning that the findings reflect respondents` subjective assessments. Socio-demographic variables were not included, which could have provided additional insights into differences in perception among employee groups. Future research could expand the analysis by including a larger number of organizations and respondents, as well as additional variables related to organizational culture, leadership style, or the level of digital maturity of the organization. Longitudinal studies would also be valuable, as they would enable the examination of the long-term effects of BSC implementation on organizational performance and strategy execution.

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