

## Long-term strategy of organization development (LSOD)

### **APPLIED ECONOMICS IN THE FIELD OF DEFENSE (AEFD)**

#### **Project Annotation**

Organization development plan is focused on new knowledge acquisition in the field of resource management in a specific environment of state defence. Attention is given both to the level of public funds allocation in favour of defence (determinants of demand for military expenditures) and the level of sources allocation within the defence sector. At the latter level, attention is paid both to performance and efficacy monitoring in conditions of the department of defence and on execution of economic experiments for the purpose of approaches elucidation and possible differences in behaviour of the employees of the defence department at different management levels. This all is based on knowledge acquired in the field of economic theory and procedures described for the market sector or for any other parts of the public sector.

#### **Goal and Partial Goals**

The goal of the organization development plan is to acquire scientific pieces of knowledge which are able to identify especially economic prerequisites for sustainability and development of armed forces. Identification and understanding the factors influencing the extent of the sources, their effective management and use within the defence department, and the quality of human capital in the armed forces represent (at general level) partial goals of the supposed organization development plan.

#### **Partial goal no.1:**

Create classification model of countries that is able to identify risks of potential military power redeployment; analyse the position of allies and the Czech Republic under the terms of the created model on the basis of defined determinants of military expenditures. The next task is to estimate parameters of an empirical curve of demand for military expenditures that is able to create military expenditures development scenarios following current economic and security hazards of the countries.

#### **Partial goal no. 2:**

Use experimental economy to identify causes of not-observing general 3E principles, possibly breaching these principles in the resort of defence and formulate suggestions that would lead to improvement. Based on the expert attitudes of defence resort employees including representatives of different levels of economic management, specific cases will gradually be identified (using especially controlled interviews and investigations). These will be the cases in which there is space for a change in practice towards purposeful, economical, and effective use of public funds.

#### **Partial goal no. 3:**

Suggest a system of performance and efficacy measuring in conditions of the defence department Based on identification of targets, goals, and main outputs of the organizational element of MoD, analysis of current state of these outcomes monitoring, especially with respect to three main components of efficacy (3E concept) will be carried out. A suitable method of efficacy monitoring and corresponding benchmark including other necessary elements of measuring will be suggested and set

after summarising the acquired data and links analysis among the strategy, set goals, and real results. When choosing the suitable method of efficacy measuring, methods currently being introduced in the department (reporting, controlling) will be taken into consideration as first ones, with respect to their ability of performance and efficacy complex monitoring in relation to the 3E concept, especially its two components - effectiveness and efficiency.

### **Suggested results**

Specialized book, articles in the database ERIH, SCOPUS, WoS, organizing of workshops.