2023 Nonprofit Talent Management Priorities Survey Results

RESPONDENTS REPRESENT:

<table>
<thead>
<tr>
<th>300+ Organizations</th>
<th>Budget Ranges for Survey Respondents &lt;$1 million - $100 million&gt;</th>
</tr>
</thead>
<tbody>
<tr>
<td>25+ Participating Mission Types</td>
<td>Over Half of All U.S. States Represented</td>
</tr>
</tbody>
</table>
Dear Talent Management Community for Social Impact:

Nonprofit HR is proud to present our 2023 Nonprofit Talent Management Priorities Survey results! This signature instrument assesses and reveals what social sector organizations are most concerned about regarding the management of their people resources. The results included in this publication are inclusive of mission types from the entire social sector and organization sizes from large to mid-sized and micro.

Our researchers collected information in this year’s survey pertaining to the full lifecycle of talent management and other related topics. For context, respondents were able to choose up to three priorities for many questions. They were also able to skip priorities based on applicability to their organization.

Culture and engagement; learning and development; and performance management remained the top three talent management strategy areas survey respondents focused on for both 2021 and 2022. After another year full of changes and growth in the sector, this report reveals some exciting shifts in the top three areas of focus for 2023 and much more.

Talent management and human resources professionals and leaders who serve the social impact sector benchmark their priorities in relation to those of other organizations and these survey results are one tool they rely upon annually.

We invite you to review the contents of this publication and share it within your organization. It is through access to knowledge, thought partnering with peers and the application of best practices in talent management that the social sector can prioritize and maximize its greatest asset—its people.

Knowledge & Research
Nonprofit HR

To see other resources for 2023 Nonprofit Talent Management Priorities Survey, visit nonprofithr.com/2023tmps.
Organizations that are prioritizing talent acquisition (recruitment) in 2023:

80% YES
20% NO

Organizations that have a dedicated HR/talent function (with at least one individual solely responsible for the function and without other non-HR/talent responsibilities):

Yes 82%
No 18%
Top three talent acquisition (recruitment) priorities for 2023:

**Priority #1**
Attaining/hiring diverse talent (i.e., across all demographics, including but not limited to: race, age, gender, identity, differing abilities, etc.)

66%

**Priority #2**
Strengthening employer brand to attract better talent

44%

**Priority #3**
Increasing talent acquisition (recruitment) budgets

50%
Organizations that are prioritizing culture and employee engagement in 2023:

Top three culture and employee engagement priorities for 2023:

<table>
<thead>
<tr>
<th>Priority #1</th>
<th>Assessing organizational culture (e.g., values, workplace behavior/attitudes, leadership effectiveness, communication effectiveness, etc.)</th>
<th>61%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Priority #2</td>
<td>Building a more inclusive organizational culture</td>
<td>43%</td>
</tr>
<tr>
<td>Priority #3</td>
<td>Influencing leadership to prioritize culture management</td>
<td>54%</td>
</tr>
</tbody>
</table>
Organizations that are prioritizing performance management in 2023:

<table>
<thead>
<tr>
<th>YES</th>
<th>73%</th>
</tr>
</thead>
<tbody>
<tr>
<td>NO</td>
<td>27%</td>
</tr>
</tbody>
</table>

Top three performance management priorities for 2023:

<table>
<thead>
<tr>
<th>Priority #1</th>
<th>Restructuring existing performance management systems/programs</th>
<th>54%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Priority #2</td>
<td>Eliminating a formal performance management system/program</td>
<td>75%</td>
</tr>
<tr>
<td>Priority #3</td>
<td>Implementing a 360-degree feedback program</td>
<td>51%</td>
</tr>
</tbody>
</table>
Organizations that are prioritizing learning and development in 2023:

79% **YES**

21% **NO**

Top three learning and development priorities for 2023:

<table>
<thead>
<tr>
<th>Priority #1</th>
<th>Developing a learning and development strategy/program</th>
<th>63%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Priority #2</td>
<td>Expanding investments in leadership development programs</td>
<td>45%</td>
</tr>
<tr>
<td>Priority #3</td>
<td>Implementing high-potential/high-performing talent programs</td>
<td>47%</td>
</tr>
</tbody>
</table>
Top three learning and development or training efforts respondents will offer in 2023:

- Leadership: 67%
- Supervisory Skills: 66%
- Diversity, Equity and Inclusion: 73%
Organizations that are prioritizing total rewards (compensation and benefits) in 2023:

**YES** 66%  
**NO** 34%

*Top three total rewards (compensation and benefits) priorities for 2023:*

**Priority #1**  
Developing a learning and development strategy/program  
58%

**Priority #2**  
Benchmarking existing total rewards practices/programs  
40%

**Priority #3**  
Reducing and/or eliminating benefits program offerings/investments  
80%
Organizations that are prioritizing talent analytics/metrics in 2023:

Top three talent analytics/metrics priorities for 2023:

**Priority #1**
Implementing HR/talent metrics reporting

**Priority #2**
Restructuring HR/talent metrics reporting

**Priority #3**
Benchmarking existing HR/talent metrics

39% YES
61% NO
Organizations prioritizing talent-focused technology in 2023:

YES 30%  NO 70%

Top three talent-focused technology priorities for 2023:

Priority #1
Introducing artificial intelligence (AI) into routine talent management functions (i.e., onboarding, benefits administration)

50%

Priority #2
Identifying/implementing performance management technology

55%

Priority #3
Implementing a Human Resource Information System (HRIS)

55%
Organizations that have a formal talent management strategy/plan that will guide its work in 2023:

YES 26%  NO 65%  I DON'T KNOW 9%

**Top three talent management priorities for 2023:**

1. **Priority #1**
   Talent Acquisition (Recruitment) 63%

2. **Priority #2**
   Performance Management 44%

3. **Priority #3**
   Talent-Focused Technology 67%

**Top two obstacles in the way of realizing talent management priorities.**

- Not enough staff resources dedicated to HR to achieve them 65%
- Not enough financial resources dedicated to HR to achieve them 54%
Top three elements included in formal talent management strategy/plan for 2023:

<table>
<thead>
<tr>
<th>Element</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Talent acquisition (branding, recruitment, hiring, onboarding)</td>
<td>84%</td>
</tr>
<tr>
<td>Retention planning (culture management, employee engagement, feedback management)</td>
<td>84%</td>
</tr>
<tr>
<td>Learning and development (staff development, leadership development, mentoring, shadowing)</td>
<td>82%</td>
</tr>
</tbody>
</table>
Ways the ongoing COVID-19 crisis has impacted budget/talent management objectives of respondent organizations:

<table>
<thead>
<tr>
<th>Description</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>We have, or expect to, reduce our operating budget.</td>
<td>13%</td>
</tr>
<tr>
<td>We have, or expect to, increase our operating budget.</td>
<td>33%</td>
</tr>
<tr>
<td>We have made adjustments to prioritize/reprioritize our talent management objectives.</td>
<td>62%</td>
</tr>
<tr>
<td>We have not adjusted our approach. The COVID-19 pandemic has not impacted my organization’s approach toward talent management.</td>
<td>32%</td>
</tr>
<tr>
<td>We have de-prioritized our talent management objectives, programs and/or initiatives.</td>
<td>0%</td>
</tr>
</tbody>
</table>
Survey Participant Demographic Data

Average operating budget of survey participants:

<table>
<thead>
<tr>
<th>Budget Range</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than $5 million</td>
<td>32%</td>
</tr>
<tr>
<td>$5.1 - $10 million</td>
<td>23%</td>
</tr>
<tr>
<td>$10.1 - $20 million</td>
<td>21%</td>
</tr>
<tr>
<td>$20.1 - $50 million</td>
<td>16%</td>
</tr>
<tr>
<td>$50.1 - $100 million</td>
<td>5%</td>
</tr>
<tr>
<td>$100.1 - $500 million</td>
<td>4%</td>
</tr>
</tbody>
</table>

Lifecycle stage of participating organizations:

- Start Up (within first 5 years of operation): 3%
- Growth-Mode: 3%
- Maturity/Sustainability: 60%
- Decline: 3%

Employee counts for participating organizations:

<table>
<thead>
<tr>
<th>Employee Count</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 25</td>
<td>24%</td>
</tr>
<tr>
<td>26 - 75</td>
<td>36%</td>
</tr>
<tr>
<td>76 - 150</td>
<td>17%</td>
</tr>
<tr>
<td>151 - 250</td>
<td>6%</td>
</tr>
<tr>
<td>251 - 500</td>
<td>11%</td>
</tr>
<tr>
<td>More than 500</td>
<td>7%</td>
</tr>
</tbody>
</table>

Top organization mission types that participated in the survey:

- Human Services: 16%
- Education: 16%
- Children, Youth & Families: 11%
- Advocacy/Legal/Policy: 7%
- Environment: 6%
- Healthcare: 4%
- Health Education/Advocacy: 4%
- Housing & Houselessness: 3%
- Social Justice: 3%
- Faith Based: 3%
- Arts & Culture: 3%
- Associations: 3%

Organizations with headquarters located in the below U.S. states participated in the survey:

- CA
- DC
- NY
- VA
- IL
- MA
- MI
- PA
- AZ
- FL
- OH
- NC
- TX
- WA
- MD
- MA
- MN
- NJ
- GA
- LA
- WI
- CO
- OR
- MT
- UT
- IN
- CT
- KY
- TN
About Nonprofit HR

We were founded with one goal in mind: to strengthen the social impact sector by strengthening its people. Nonprofit HR is the country’s leading and oldest firm focused exclusively on the talent management needs of the social sector, including nonprofits, associations, social enterprises and other mission driven-organizations. Nonprofit HR also offers customized trainings, research, knowledge and events, all with the objective of strengthening the people management capacity of the workforce. Nonprofit HR was listed as one of the nation’s fastest growing firms by Inc. 5000. Since 2000, our staff of credentialed experts have advanced the impact of some of the world’s most influential brands in the sector.

Nonprofit HR’s suite of solutions is centered around five core service areas:

• Strategy & Advisory
• HR Outsourcing
• Equity, Diversity, Inclusion & Justice
• Total Rewards
• Search

Need a thought partner for your organization's talent management priorities? Schedule a mini consultation with us. Email solutions@nonprofithr.com.

More About Nonprofit HR

• Total lifecycle solutions for talent management.
• 23+ years serving the social sector as a trusted advisor and thought partner.
• Thousands of missions served.
• Black woman owned.
• National footprint.
• Award-winning and credentialed staff.