What's Cooking: Human Capital Capacity, Organizational Culture & Talent Management Priorities

Wednesday, March 22, 2023

Our Practices:

Nonprofit HR's suite of solutions is centered around five core service areas.

STRATEGY & ADVISORY

- HR Audits & Assessment
- Workforce Planning
- Performance Management
- Workplace Culture & Employee Engagement
- Learning & Development

HR OUTSOURCING

- Interim Outsourcing
- Comprehensive General Outsourcing
- Specialty Outsourcing

EQUITY, DIVERSITY, INCLUSION & JUSTICE

- Assessments, Strategy Design & Implementation
- EDIJ Training
- Cultural Transformation
- Leadership Development
- Interim Chief Equity Officer

TOTAL REWARDS

- Salary Benchmarking
- Compensation Program Design
- Pay Equity Analysis
- Benefits Assessments
- HR Technology

SEARCH



- Executive & Professional Search
- Recruitment Outsourcing
- Interim leadership





We also partner with nonprofit and for-profit social enterprises to help strengthen their people management practices.

Presenter:



Lisa Brown Alexander Founder & CEO Nonprofit HR

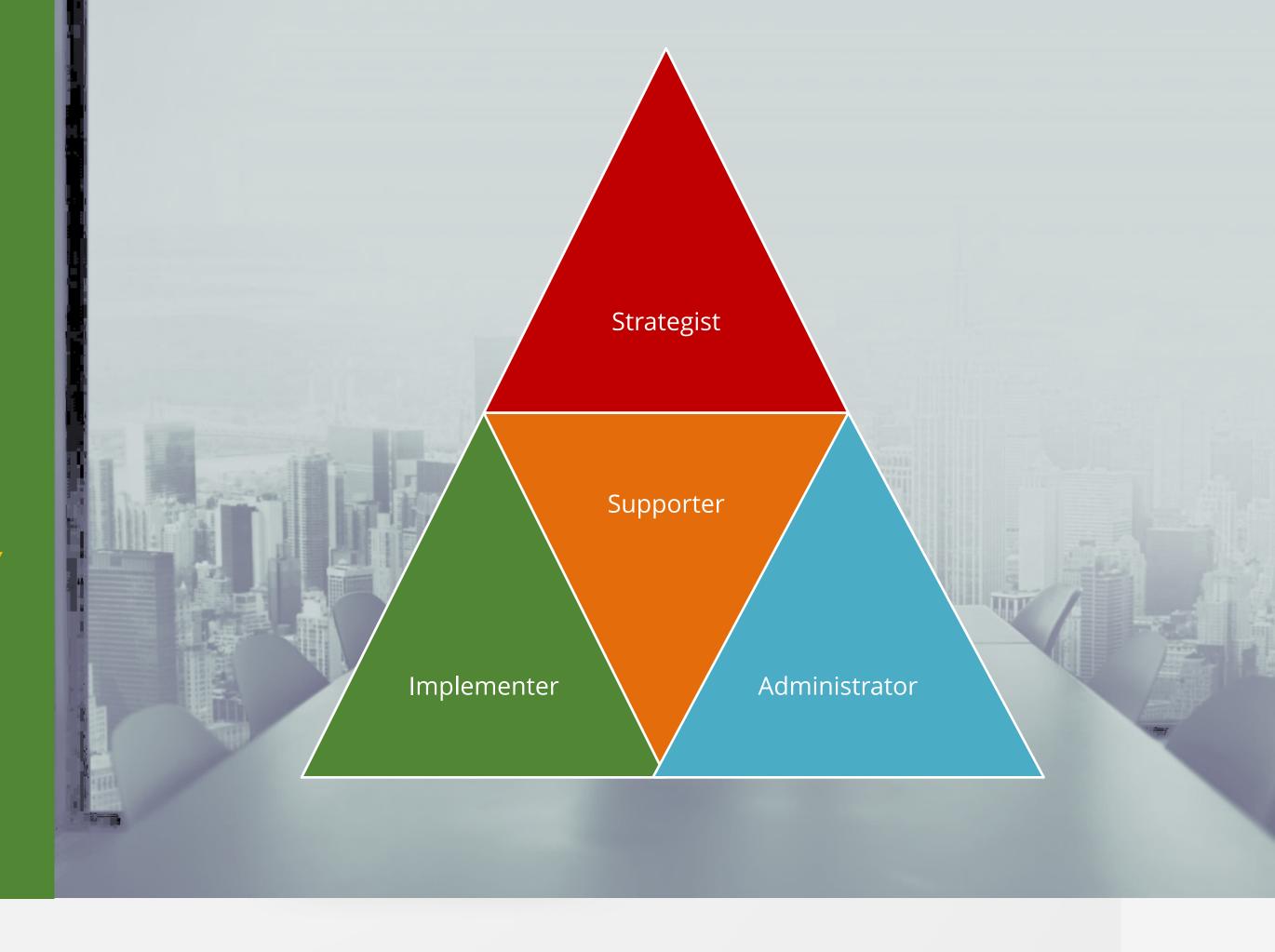
Agenda

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- The Changing Role of the Social Sector CHRO
- How the Recession + Inflation + Labor Market Have Transformed the Role & Power of the Talent Function
- High-Performing Social Sector CHROs



The Changing Role of the Social Sector CHRO - Today



Social Sector CHROs of Today

Business & Human Capital Strategy

Talent Acquisition

HR Tech

Total Rewards Performance Management Equity & Inclusion

Succession Planning

Employee Engagement Learning & Development

Social Sector CHROs of Today

Where Things Are Today:

- 31% of social impact organizations have a formal talent management strategy/plan
- 55% of social impact organizations do NOT have a talent management strategy
- 13% of social impact organizations don't know if they have a talent management strategy

Source: 2023 Talent Management Priorities Survey, Nonprofit HR

Social Sector CHROs of Today

Where Things Are Today:

Large social sector organizations (revenue of \$20M+) are prioritizing:

- Talent Acquisition (68%)
- Performance Management (47%)
- Talent Analytics & Metrics (83%)

Source: 2023 Talent Management Priorities Survey, Nonprofit HR

Social Sector CHROs of The Future



Social Sector CHROs of The Future

The social sector CHRO of the future will need to be the **CEO of the talent solutions business** and guide their organizations to a new approach that is anchored in impact and sustainability.

Social Sector CHRO of the Future



Social Sector CHROs:

- Guard the culture of their organizations to help foster strong sense of trust, belonging/inclusion and ensure values alignment
- Foster employee wellness and well-being
- Facilitate work with purpose
- Drive for marketable skills that lead to vibrant careers for talent

Social Sector CHROs of The Future

Today's social sector talent has more choice and influence over the work they do—and over the organizations they do it with.

Social Sector CHRO of the Future: Key Question

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Does your social impact organization have differentiated strategies needed to *access* talent, *create talent* and *unlock* people's potential and support their well-being & belonging?



Recession +
Inflation +Tight
Labor Market = A
Social Sector
Talent
Conundrum



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The National Bureau of Economic Research defines a recession as "a significant decline in economic activity that is spread across the economy and that lasts more than a few months."

Recession +
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The economy right now is weird.

Recession + Inflation +Tight Labor Market = A Social Sector Talent Conundrum

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- Inflation in the U.S. hit a record high in June 2022; globally, some 60% of advanced economies grapple with year-on-year inflation above 5 percent.¹
- Consumer prices soared by 9.1% compared with a year prior
- Wages continue to rise but lower than the rate of inflation (4.5% overall in 2022)
- Low employment: 3.6% February 2023; virtually unchanged from a year ago

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- Little movement with the labor force participation rate in the last year (62.5% February 2022 vs February 2023 62.4%)
- Job openings rate of 10.8M or 6.5% (as of January 2023); well above pre-pandemic levels
- Average quit rates 2.5%

Source: BLS.gov

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Source: McKinsey & Company, Navigating Inflation: A New Playbook for CEOs, 2022

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"A typical response to an economic downturn is to cut expenses across the board, especially at the employee level. We experience hiring freezes, changes in status from full-time to part-time, months' long furloughs and, in some cases, large-scale layoffs. While these seem like measured responses, they are deeply rooted in the psychology of fear where reaction masquerades as choice."

Source: https://www.forbes.com/sites/forbeshumanresourcescouncil/2022/09/06/leading-workplace-culture-through-a-recession/?sh=426032e873e1

6 Strategies for Managing Through Recession + Inflation +Tight

Labor Market

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- 1. Get spending visibility
- 2. Differentiate between strategic & nonstrategic spending
- 3. Unpack the drivers of spending
- 4. Reduce consumption
- 5. Eliminate work
- 6. Automate

Source: Harvard Business Review, 6 Strategies To Help Your Company
Weather Inflation

More Strategies

for Managing
Through
Recession +
Inflation + Tight
Labor Market

- 1. Go beyond rethinking compensation and benefits
- 2. Prioritize fostering a sense of purpose and belonging that can make it more attractive for talent to join and, ideally, more attractive to stay with your organization
- 3. Build up a sense of inclusion, psychological safety, and community across the organization
- 4. Explore scheduling, staffing, and hiring innovations seek input from your staff
- 5. Anticipate AND solve problems



High-Performing Social Sector CHROs

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- Surviving CHROs
 - ✓ Seek to keep the talent function viable in their organizations
- Thriving CHROs
 - ✓ Differentiate the talent function to gain competitive advantage
- Driving CHROs
 - ✓ Lead the market by radically innovating and transforming the talent function

Which one are YOU?

High-Performing Social Sector CHROs



High-Performing Social Sector CHROs

"The combination of **financial** acumen, business acumen and systems thinking will be particularly important in the future. It positions CHROs to operate as anticipators, driven by data and insights, instead of as reactors."

Source: The CHRO As a Growth Executive, Accenture

High-Performing Social Sector CHROs: What They Do Differently

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High-performing CHROs:

- 1. Seek to understand the business of their organizations before developing talent strategies
- 2. Foster collaborative relationships across stakeholder communities (board, leadership, staff, volunteers, community)
- 3. Access and create talent in innovative ways
- 4. Listen to the workforce AND leadership

High-Performing Social Sector CHROs: What They Do Differently

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High-performing CHROs:

- 4. Actively contribute to organizational transformation and reinvention beyond the HR function
- 5. Practice data-driven decision-making and workforce planning
- 6. Take a holistic approach to employee value proposition
- 7. Demonstrate the value of continued investments in talent management

Questions?



Thank you!

Contact Lisa Brown Alexander

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Need an HR thought partner for your organization? Schedule a mini consult!

Email solutions@nonprofithr.com