



Navigating political and regulatory changes without losing mission focus

A guide for U.S. nonprofit HR leaders



The science behind
a new world of work



“As we navigate change, HR leaders have the opportunity — and the responsibility — to lead their organizations with vision and purpose.”

Anton Roe,
CEO, MHR

A roadmap to help nonprofit HR teams stay compliant, mission-aligned and people-first through ongoing change

Rethinking your hiring practices

From new pay transparency laws to shifting DEI expectations and emerging AI regulations, HR teams are operating in a state of continuous change. For U.S. nonprofits, these pressures arrive on top of already complex operational demands: grant-funded roles, multi-location teams, hybrid schedules and tight budgets.

Amid ongoing uncertainty, HR's role is more essential than ever — building trust, reinforcing purpose and helping people stay connected to your mission, all while navigating constant change with clarity and care.

This guide offers a practical lens to help HR leaders adapt their DEI, pay and AI strategies without compromising their values or their team's morale. It also explores how People First powered by MHR can simplify that process with tools designed specifically for the nonprofit sector.

What's changing — and why it matters to nonprofit HR teams



HR teams today are being asked to interpret and implement a fast-evolving patchwork of regulations. These changes affect more than your compliance efforts. They influence how your people experience equity, transparency and belonging.

Key shifts to track

- DEI expectations are becoming politicized and scrutinized in new ways, creating tension between community commitments and external narratives
- Pay transparency laws are expanding state by state, requiring organizations to publish salary ranges and examine internal equity
- AI regulations are emerging — with growing focus on bias, consent and transparency in hiring, performance reviews and feedback processes

These pressures don't just impact HR operations. They touch your mission, your reputation and your ability to attract and retain values-aligned talent.

Staying people-first through policy shifts

When regulations change, it's easy to get reactive. But for nonprofit HR teams, the most important move is to pause and re-center around what matters: your people and your mission.

Even the best-intentioned policies can backfire if they feel imposed rather than aligned. HR has the unique responsibility to translate legal shifts into cultural progress.

Tip: Mission check — questions to ask before making a policy change

- Does this change support or dilute our core values?
- How will it be perceived by employees, managers and community partners?
- What voices have we included in shaping this response?
- Can we implement this in a way that builds trust rather than fear?

What's at stake if nonprofit HR doesn't adapt?

- Fines or reputational risks tied to noncompliance
- Erosion of employee trust in leadership
- Difficulty hiring and retaining mission-driven talent
- Misalignment between stated values and lived employee experience



Adapting DEI strategy without losing momentum

In a polarized environment, some organizations are pulling back from DEI. But for nonprofit HR leaders, this is a moment to lead with clarity. DEI efforts rooted in lived values — rather than trend-based language — can unify diverse teams and reassure both funders and staff that equity remains a core organizational priority.

Staying mission-aligned means continuing to act thoughtfully, transparently and measurably. Even when the external landscape is complex.

Strategic questions to guide your DEI approach

- How can we communicate our DEI goals in a way that resonates across our full community — from frontline staff to funders?
- What metrics actually reflect equity in our workplace?
- How do we ensure our DEI efforts feel real and lived, not performative?

Keeping these questions in regular rotation ensures that your DEI efforts don't stall or get siloed.

Tip: Mission-aligned metrics that matter

- Representation in leadership roles
- Internal mobility by demographic group
- Engagement scores by role type
- Feedback from pulse surveys or DEI listening sessions

How People First supports nonprofit DEI goals

- Sentiment tracking and pulse surveys to surface real employee experiences
- Engagement analytics by role, team and demographic to identify trends and gaps
- Customizable check-ins and goal-setting tools that align DEI with development
- Secure, centralized data for audit-ready reporting and transparency

Navigating pay transparency requirements thoughtfully

Pay transparency isn't just another compliance box to check. It's a pillar of organizational trust. For nonprofits, where purpose often outweighs paycheck, it's also a chance to show that equity is lived, not just stated.

In states like California, New York and Colorado, publishing salary ranges has become table stakes — and more jurisdictions are following. Rather than waiting for legislation, leading nonprofits are using pay transparency to strengthen internal equity and boost external credibility.

But getting it right takes more than publishing numbers. It means preparing managers, closing internal gaps and setting a clear narrative.

Strategic questions to guide your pay transparency efforts

- Are we ready to share pay ranges externally — and if not, what's missing internally?
- How do we explain our compensation approach without triggering defensiveness or confusion?
- Have our managers been trained to handle tough compensation discussions?

Thoughtful answers to these questions lay the groundwork for pay policies that feel fair — and stand up to scrutiny.

Tip: What to say when candidates ask about pay

- We publish ranges to stay transparent and equitable — here's how we've structured this one
- This range reflects the responsibilities of the role and our funding model. I'm happy to walk you through it
- We're always working to improve internal equity — this range aligns with our current compensation framework

How People First supports pay transparency

- Audit-ready compensation band visibility for internal equity reviews
- Role-based data access controls to equip managers without putting sensitive data at risk
- Salary benchmarking tools to set fair compensation based on role, location and funding
- Manager enablement features with talking points and training for pay conversations





“The real promise of AI lies in augmenting human capabilities — not replacing them.”

Reinventing HR,
MHR (2025)

AI in HR: Proceeding with purpose and trust

AI is reshaping everything from hiring to performance reviews. But in mission-driven organizations, automation needs to be accompanied by trust and transparency.

The key? Make AI visible, ethical and human-centered from day one.

Strategic questions to guide your AI strategy

- Are we clear with employees about where and how AI is used?
- What controls and audits do we have in place to spot bias?
- Do our AI tools reinforce our values — or challenge them?

Clarity on these points helps reduce fear, build trust and ensure that your AI use aligns with your values.

Tip: Building AI trust — what employees need to hear

- We use AI to streamline admin, not replace judgment
- You'll always be evaluated by a person — not a machine
- Here's how our system makes recommendations — and how we monitor fairness

How People First supports ethical AI use

- Explainable AI tools that clarify how decisions are made
- Bias mitigation features for resume screening and job ad creation
- Configure automated workflows and control user permissions
- Audit trails and usage logs to demonstrate responsible use

Putting it all together: A framework for mission-driven compliance

When change hits, HR leaders need more than a checklist — they need a compass. This simple lens can help guide your next policy move:

People ► Policy ► Purpose

- 1 Align with mission
- 2 Validate with stakeholders
- 3 Operationalize with the right tools

Policy change is inevitable. Mission drift isn't.

By leading with purpose, asking the right questions and using tools built for your reality, nonprofit HR teams can stay compliant without losing clarity — or culture.

Want to simplify compliance and culture-building?

Explore more ways to build resilience, streamline operations and future-proof your HR strategy.

Download our Reinventing HR eBook





About MHR

MHR has been driving innovation across the HRIS space for over 40 years. We don't just meet the industry standard, we exceed it. Engineered by the latest SaaS technology, our product, People First enables increased employee productivity and organizational growth with a demonstrable return on investment.

People First is guided by what our customers and the market demand in a rapidly changing world.

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