



Employee *development* in the NFP sector – creating a win-win story

Insights from 182 NFP studies and over 104,000 employee responses

White paper

Employee development in the NFP sector

Employee development has long been recognised as a cornerstone of organisational sustainability and effectiveness. Nowhere is this more critical than in the not-for-profit (NFP) sector, where resources are tight, the work is purpose-driven, and employees are deeply committed to making a difference. But here lies the tension: while the passion is strong, the systems and supports for employee development are often under-resourced. The challenge for NFPs is not simply whether they can invest in development, but how they do it in ways that balance mission, resources, and people.

Consider this: the NFP sector employs over 1.47 million Australians – more than 10% of the national workforce. Yet, countless employees report gaps in training, career pathways, and leadership support. This paper explores how NFPs can turn that story around. By embedding employee development into their DNA, NFPs can not only retain passionate people but also build stronger, more resilient organisations. We'll examine barriers, spotlight practical solutions, and share what the data tells us about what matters most to employees.

Barriers: why development feels out of reach

Employee development in the NFP sector is often hampered by familiar challenges.

Funding limitations mean training budgets are cut first. Small teams and high workloads leave little time and energy to prioritise the type of learning that employees feel passionate about.

Leaders may not have the training – or even the time – to support employee growth. And in a mission-first culture, employees can feel guilty investing in themselves when the needs of the community are so pressing.

Some of the most common barriers include:



Limited financial resources – scarce budgets prioritised for service delivery.



High turnover and staff shortages – making it difficult to sustain long-term investment in development and leaving fewer people to share the workload.



Overwork and burnout – heavy workloads and the emotionally demanding nature of the work leave employees exhausted, with little capacity to learn.



Lack of formal learning infrastructure – unclear career pathways and few systems.



Mission over development – cultural pressure to prioritise clients over personal growth.



Lack of leadership support – under-prepared managers and absent mentorship.



Geographical limitations – lack of access to in-person learning in rural areas.

When you weave these factors together, you see a sector full of passionate people, but stretched to the limit. The danger is clear: employees driven by purpose become employees drained by pressure.

What development can look like for NFPs: finding possibilities in the everyday

Employee development in the NFP sector can take many forms, ranging from structured, formal learning opportunities to informal, experiential practices (see *Figure 1*).

A key challenge is that employees may not always recognise these everyday experiences as “development.” Much of the value comes down to the conversations leaders and managers have with their teams – helping employees identify, reflect on, and build confidence in the learning that arises from day-to-day practice.

Together, these options illustrate that meaningful professional growth in NFPs does not rely solely on budgets, but can also be achieved through creativity, collaboration, and a strong organisational culture of learning. Development can be reframed as a culture rather than a cost line.

Often, the biggest shift comes from helping employees recognise that development is already happening – in the stretch roles they take on, in peer-to-peer learning, and in reflective conversations with their leaders. It’s about changing the narrative: development isn’t always external, expensive, or out of reach.

1. Low-cost, informal development

- Free online courses, peer learning, and communities of practice.
- Informal mentoring arrangements and knowledge sharing within networks.
- On-the-job learning through cross-role support, volunteering beyond one’s role, or merely stretching employees out of their comfort zone.

2. Low-cost, formal development

- Structured development plan and conversations during 1-on-1 meetings.
- Structured internal mentoring programs.
- Organised communities of practice with scheduled discussions or knowledge exchanges.

3. Costlier, formal development

- Sector conferences, professional training, and accredited programs.
- Secondments or formal stretch assignments are supported by the organisation.

4. Organisation-wide cultural development

- Creating a culture that values continuous learning and celebrates skill-building.
- Embedding professional growth as a shared expectation across teams.

Figure 1: Employee development practices

The mutual benefits of employee development: why it matters for everyone

When organisations get development right, everyone wins. For employees, it leads to increased job satisfaction, confidence, and a sense of value within the organisation. For NFPs, an inspired and well-developed workforce translates into improved service delivery, higher retention rates, stronger leadership pipelines, and greater organisational resilience. Moreover, development initiatives can help align individual aspirations with organisational goals, creating a more cohesive and motivated team. In an environment where every resource counts, empowering employees through development is not just a strategic advantage; it is a necessity for long-term impact.

Crucially, and often overlooked, is the fact that employee development is a shared responsibility. Organisations must create the conditions, but employees also need to step into the story. Development isn't just provided, it's co-created.

What the data tells us: three levels of influence

To better understand employee development in the NFP sector, we draw on employee survey data from 182 NFP studies and 104,000 employee responses.

We ran a correlation analysis to understand the employee experience items that have the strongest correlation to the item *“our organisation has effective processes for developing its people.”* We see this item as a strong indicator of employees' perceptions of workplace development practices.

Through this analysis, we found that employee sentiment about development is most strongly linked to three levels: organisational, team leader, and individual (see *Figure 2*). When all three are working in concert, development can flourish.

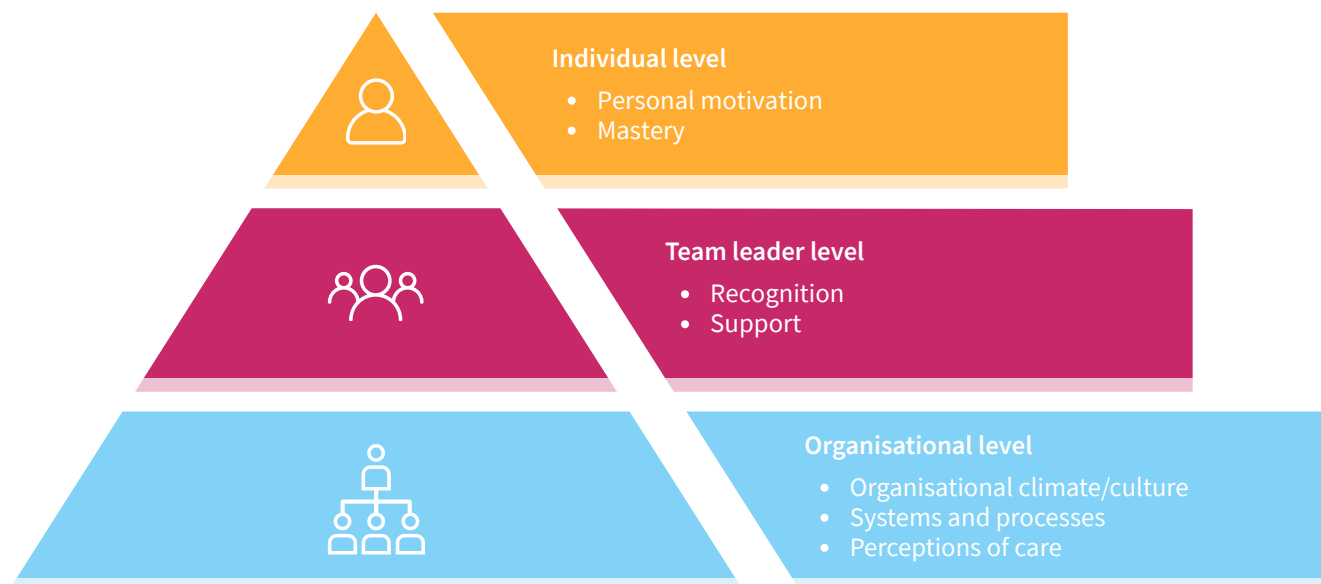


Figure 2: Three levels of influence on employee development

Influence #1

Organisational level: culture, leadership and systems

The strongest correlations point to the climate shaped by senior leaders and to perceptions of organisational systems and support (as outlined in the adjacent section).

Employees who feel cared for, see leaders modelling values, and experience openness to feedback are more likely to believe development processes are effective. This highlights that leadership behaviours set the tone for the whole organisation. Equally important are the systems and processes that underpin this culture. When employees have access to training and opportunities to build skills, and when organisations show a commitment to continually improving these systems, development is reinforced as part of the infrastructure – not left solely to individuals.



Research insights

Correlation to engagement

This organisation cares about and is committed to me

0.71

Our senior leaders are good role models

0.64

Our senior leadership team go out of their way to acknowledge and thank people for their contribution

0.64

Our senior leadership team is open to feedback

0.63

Our senior leadership team has a vision for our organisation that inspires me

0.63

Our organisation consistently shows its commitment to achieving good client outcomes

0.62

Our senior leadership team encourages innovative and creative ideas

0.61

Our organisation is committed to continually improving our systems

0.61

I get the training and development I need to do my job well

0.61

Influence #2

Team leader: recognition and fairness in practice

The combination of leadership behaviours and organisational systems, in turn, creates the conditions in which team leaders can carry these signals into everyday team life, thereby better supporting employee development. These organisational signals matter not only for employees' general experience but also because they determine whether team leaders have the clarity, structure, and inspiration needed to cascade effective development practices. In other words, the organisational level sets the stage for whether team leaders thrive or struggle.

When supported by a strong culture and robust infrastructure, team leaders are better able to create environments where development flourishes. Our data shows that, at the team level, the most critical drivers are regular recognition of achievement and fairness in promotion and progression pathways. Transparent promotion decisions and consistent acknowledgment of contributions build trust, reinforcing that effort is valued and that growth is genuinely possible.

Research insights

● Correlation to engagement

Our organisation has effective programs for recognising and rewarding achievements of its people



Our organisation is committed to ensuring that the right people get promoted



Influence #3

Individual level: ownership and pride

The environment team leaders create directly shapes how individuals perceive their own future and opportunities to grow. At the individual level, we see that development depends on an employee's own mindset and motivation. Individuals who can imagine a future in their organisation, who feel proud enough to recommend it to others, and who see real opportunities to improve their skills, are more engaged in their own growth. This can often be a missing piece of the puzzle. It requires not only the recruitment and retention of people who align well with the organisation's culture and values (and bring their own intrinsic motivation), but also ensuring that this is part of the messaging and ongoing dialogue about how employee development is fostered.

Research insights

● Correlation to engagement

I would recommend our organisation as a workplace to my family and friends



I have a real opportunity to improve my skills in this organisation



I can envisage a future for myself in our organisation



Good practice guide

To bring these findings to life, we've outlined some tangible examples of what effective development looks like and practical steps to help organisations, team leaders, and individuals move from knowing what "good" looks like to embedding it in daily practice.

Good practice #1

Organisational level: creating the conditions for growth

Visible, approachable leadership

Good practice in NFPs starts with leaders who are accessible, transparent, and grounded in purpose. Visibility isn't just about being present at events – it's about being known. Leaders who engage directly with frontline staff, visit services, and share stories of impact build credibility and trust. In community-focused organisations, authenticity matters more than polish; leaders who listen deeply, acknowledge challenges, and involve staff in shaping development priorities model the inclusive culture the sector values.

Structured development tools

Development planning can sometimes feel secondary in busy NFP environments, but structured tools like Individual Development Plans (IDPs) or capability frameworks help make it practical. Good practice is to integrate IDPs into supervision or annual review processes so that they feel like part of "how we work," not an add-on. In smaller organisations, this can be simplified – using shared templates or informal learning check-ins. For larger NFPs, digital learning hubs or mentoring programs can make development more visible and accessible across dispersed teams.

Recognition and wellbeing focus

In the NFP, where work is emotionally demanding, recognition and wellbeing go hand in hand. Good practice includes celebrating the impact of work, not just outcomes – thanking staff for compassion, persistence, and teamwork, not just service metrics. Recognition can take many forms: personalised thank-you notes, "values in action" awards, or shared stories at all-staff meetings. Embedding diversity and inclusion means designing recognition and learning systems that reflect the workforce – ensuring opportunities are fair and accessible regardless of role, background, or employment type. Supporting wellbeing through flexible work, reflective supervision, and manageable workloads reinforces that development thrives when people feel cared for.

A culture of trying new things

NFPs often equate innovation with new funding or projects, but good practice shows it's about creative problem-solving within constraints. Leaders can create "safe-to-try" spaces – like idea boards, innovation labs, or short "practice sprints" where employees test new approaches to service delivery or engagement. Encouraging experimentation within clear boundaries (and celebrating learning, not just success) helps employees feel empowered to improve the way they work with communities. In a sector built on care, innovation doesn't replace empathy; it strengthens it.

Overall impact

These practices signal a culture that values both purpose and people. They demonstrate that even in resource-limited environments, organisations can make growth part of their identity by embedding development into daily rhythms of connection, recognition, and reflection.

Good practice #2

Team leader level: turning strategy into everyday practice

Recognition rituals

Team leaders in NFPs are the bridge between mission and daily reality. They can embed recognition into existing rhythms, such as starting team meetings with “client wins” or peer shout-outs. Simple, regular gestures of appreciation have a big impact in teams where workloads are high and emotional labour is real. Recognition should also reflect the diversity of contributions, acknowledging quiet achievers, support staff, and volunteers alongside those in frontline or leadership roles.

Rewarding innovation

Innovation can mean finding new ways to engage clients, streamline admin, or strengthen collaboration with partners. Team leaders can foster this by asking open questions (“What could we do differently next time?”) and encouraging small tests of change. Recognising these small wins publicly, such as featuring them in newsletters or reflective sessions, builds confidence that innovation is welcome, not risky.

Gratitude in practice

Given the human intensity of NFP work, gratitude can’t be performative; it needs to feel authentic. Team leaders can make this tangible by acknowledging both effort and impact: “I know that was a difficult situation, but you handled it with care and professionalism.” Scheduling time for “check-in” meetings that combine wellbeing and appreciation helps staff feel seen. Gratitude that’s specific and timely can offset burnout and build relational trust, which is the glue of strong community teams.

Overall impact

When team leaders embed recognition, learning, and support into team culture, they create psychologically safe environments where people can thrive. This layer of leadership is critical in the NFP sector. It’s where purpose becomes practice and engagement becomes endurance.

Good practice #3

Individual level: owning the development journey

Intentional goal-setting

For individuals in the NFP sector, development often starts with reflection: “What skills help me serve our clients better, and what do I want to learn next?” Setting goals linked to both personal growth and community impact keeps motivation strong. Employees can align their aspirations with organisational goals. For example, a youth worker might aim to strengthen facilitation skills to lead peer-support groups, while also advancing the organisation’s empowerment model.

Active learning

In NFPs, much learning happens on the job, through client interaction, reflective supervision, or peer exchange. Individuals can take ownership by seeking shadowing opportunities, joining communities of practice, or completing short, low-cost training relevant to their service area. Asking for feedback after key projects or client interactions helps transform daily experiences into deliberate development.

Stretch and reflection

With limited budgets for formal training, stretch experiences (such as leading a new initiative, representing the organisation externally, or mentoring a colleague) offer valuable learning. The key is to reflect afterwards: What worked well? What would I change next time? Reflective practice is a hallmark of effective community work, and applying it to personal development helps staff learn continuously without needing major resourcing.

Growth mindset

The NFP sector demands resilience, adaptability, and compassion. Employees can cultivate a growth mindset by seeing change, whether in funding, policy, or client need, as a chance to evolve. Reframing setbacks (“What can this teach me about how we work?”) keeps development personal and grounded. When individuals take ownership of their mindset, they not only grow themselves, but they also sustain the mission.

Overall impact

When individuals see development as part of their contribution to the cause, not a luxury beyond it, learning becomes embedded in the fabric of the organisation. This personal commitment ensures the sector remains agile, empathetic, and future-ready.

Employee development is not a “nice to have”; it is a strategic necessity

For NFPs, where burnout and resource pressures are ever-present, the risk of neglecting development is too high. But the reward of getting it right is immense: higher retention, greater resilience, and a workforce that feels both valued and inspired.

For NFPs in particular, the challenge is to weave development into everyday practice, through culture, systems, and leadership. For team leaders, it's about recognition, fairness, and coaching. For individuals, it's about stepping forward with ownership, curiosity and a good frame of mind.

Small, consistent actions at each level build momentum, making development an everyday reality rather than an aspirational ideal.

The story we tell about employee development in the NFP sector can be one of exhaustion and burnout, or one of growth and shared success. By choosing the latter, NFPs can build workplaces where people don't just serve the mission – they thrive within it.

The first step for any NFP is to ask: what signals are we sending about development today, and what small shifts can we make tomorrow to change that story?

Insync partners with not-for-profit organisations to strengthen culture, leadership, and workforce engagement. We help NFPs turn insight into practical action so their people can thrive and their impact can grow.



About Insync

Insync is a leading provider of employee engagement and culture solutions, partnering with organisations to unlock their full potential through clear, actionable insight. We work with clients across sectors, including not-for-profit and community services, where purpose-driven work and complex frontline environments make the employee experience both vital and uniquely challenging.

Using our validated Alignment & Engagement Surveys and trusted benchmarking, we help leaders understand what their people are experiencing, where to focus effort, and how to create meaningful, sustainable change. Our approach goes beyond “measuring” engagement – we support organisations in translating employee voice into practical priorities that strengthen leadership, communication, collaboration, and wellbeing.

Our team collaborates closely with executives, HR and local leaders to interpret results in context and build ownership at every level. For NFPs in particular, we’re passionate about helping organisations protect and amplify what matters most: connection to mission, a culture of care, and the capability to lead through ongoing change so people can keep doing their best work for the communities they serve.



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