

Employee Resource Groups: A Strategic Business Resource for Today's Workplace

BC Center for Work & Family

Executive Briefing Series

Author: Judi C. Casey



This presentation is a companion to the Boston College Center for Work & Family Executive Briefing Series. Please feel free to cut and paste these slides into your own format, and to use the information as a guide to develop your own customized presentation. If you do not have a copy of the full Briefing, please email: cwf@bc.edu or visit our website for the briefing and bibliography:

<http://www.bc.edu/content/dam/files/centers/cwf/pdf/BCCWF%20EBS-ERGs.pdf>



"Consider these two questions as you and your organization make the commitment to enable your ERG into a powerful advancement platform where talent and business development interconnect and build upon one another:

1. How can your ERG better influence corporate growth and unlock opportunities for business by giving its members a voice?

2. How can your ERG be more strategic about how to positively impact the recruitment, engagement and building of a workplace culture that is most favorable to the changing face of America and that represents the fastest growing workforce communities?"

(Forbes, 2012)

YOUR COMMITMENT TO EMPLOYEE RESOURCE GROUPS (ERGs)

ERGs have:

- Existed in organizations for more than 40 yrs
- Evolved from networking groups that promote diversity and inclusion to become key contributors to business strategy and operations (past 5 yrs)
- Utilized employee knowledge and expertise:
 - For talent management (recruitment/retention of diverse employees)
 - To create culturally sensitive product development, marketing, and customer service plus supplier diversity
 - For building an inclusive and engaged workforce.
- Been known as affinity groups, employee networks, or diversity councils. In the future, the name “Business Resource Groups” may predominate due to the business contributions of ERGs.

DEFINITION OF ERGs

- ERGs started in the 1960's as race-based employee groups that developed due to racial tensions.
- Xerox (1970) is known for having the first ERG, the National Black Employee Caucus followed by the Black Women's Leadership Caucus (1980).
- Hewlett Packard is recognized for forming the first LGBT ERG in 1978.

HISTORY OF ERGs

ERGs are typically organized by a demographic (e.g. women), life stage (e.g. Generation Y), or function (e.g. sales). Some of the most popular ERGs are:

- Caregiver (dual earner parents, single parents, adoptive parents, elder caregivers, health-related, disability, etc.)
- Cultural diversity and/or geographic area
- Employee alumni
- Flexible/Remote workers
- Generational (e.g. older workers) and early career employees
- LGBT employees
- Men and dads at the workplace
- People with disabilities (nearly half of employers have this type of ERG)
- Religious affiliations
- Veterans
- Women in the workplace including leadership development groups

TYPES OF ERGs

- **Connections and Networking** with "like others," with employees at all levels, and with leaders
- **Innovation** promoted by creating opportunities for diverse and culturally sensitive ideas to develop, and informed decision making with input from knowledgeable employees
- **Leadership Development and Career Promotion Opportunities**
- **Mentoring Opportunities** given from the top-down and bottom-up
- **Talent Acquisition, Talent Management and Recruitment** efforts expanded
- **Professional and Personal Development Opportunities**
- **Engagement, Commitment, Retention and Job Satisfaction** strengthened
- **Culture of Diversity and Inclusion** achieved from the work of individual ERGs and the synergy of ERGs working together
- **Culturally Sensitive Marketing and Product Development** created with input from employees with expertise in specific demographics or regions
- **Customer Retention** boosted from hiring diverse employees
- **Community Brand** enhanced by increasing visibility in the community

BENEFITS OF ERGs

FOR EMPLOYEES AND EMPLOYERS

Getting started with ERGs

Perhaps your organization is just getting started with ERGs. Here's how you might begin:

- **Formalize:** Consider creating a document that details the role of ERGs in your organization and how they can impact recruitment/retention, organizational culture and business outcomes
- **Make the Business Case:** Describe and articulate the value proposition/business case of your organization's ERGs
- **Customize:** Start with the ERGs that align with your business needs
- **Get Members:** Recruit employees from various areas of the organization and articulate the benefits of participating in ERGs
- **Develop Leadership:** Determine how you will recruit executive sponsors and provide mentoring/leadership opportunities. Will Diversity & Inclusion staff coordinate ERGs efforts?
- **Communicate:** Determine how the voices/data from the ERGs will be shared with executives/leaders and other members of the organization
- **Assess Outcomes:** Figure out how you will measure success. What have been the business outcomes?

THE ERG JOURNEY



Moving forward with ERGS

Perhaps your organization has ERGs that have been in place for a number of years. Here are some ways to maintain momentum.

- **Consider New ERGs:** Explore whether new ERGs can be created to reflect changing business needs and employee interests
- **Update Formal Structure:** Does the initial organizing document need to be re-written to reflect changing priorities or lessons learned?
- **Assess Membership:** Does ERG membership include employees at all levels of the organization? Do involved employees feel that their contributions/time are valued by supervisors and the organization?
- **Benchmark:** Now is the time to learn what your competitors are doing. Is there something to be learned from their approach?
- **Need Sponsors?:** Do ERGs have executive sponsors? Do sponsors receive any training to ensure that they have the skills to be effective?
- **Assess Impact:** Are management practices aligned with the efforts of the ERGs? What new strategies or alliances have been implemented as a result of ERGs?
- **Measure Success:** How do you stand up to your measures of success?

THE ERG JOURNEY



Tweaking your ERGs

Perhaps your organization has a full menu of ERGs. How can you tweak your existing ERGs to solidify success?

- **Create Accountability:** Are managers held accountable for results in their ERGs?
- **Get Employee Input:** Have you surveyed employees to learn their views on your current ERGs?
- **Communicate:** Has your organization communicated both internally and externally how ERGs have impacted business operations, and improved recruitment and retention efforts?
- **Assess Synergy:** Are ERGs working with each other to promote synergy of efforts?
- **Evaluate Culture:** Do your ERGs help to create an engaged and inclusive culture? Do employees feel that their contributions are valued and making a difference?
- **Enhance Coordination:** Are your ERGs partnering with HR and other Talent Management leaders? Business units?
- **Continue to Measure:** Make sure that the ERGs are continuing to operate successfully.
- **Share Success:** Inform the community and stakeholders about your success. Partner with external organizations to solidify your position as a leader.

THE ERG JOURNEY



Organizations may encounter various challenges in actualizing the full potential of their ERGs.

<i>Challenge:</i>	<i>Solution:</i>
ERGs are not well integrated within the organization, limiting their ability to impact business outcomes.	<ul style="list-style-type: none">• Develop guidelines and policies that provide transparency about the roles that ERGs can play• Align ERG activities with business strategy via internal and external partners• Look for connections and leverage relationships with existing groups having similar goals• Ensure that senior leaders are aware and supportive of the goals of ERGs, and encouraged to actively solicit and utilize their input• Communicate ERGs contributions to highlight their value to the organization

CHALLENGES AND POTENTIAL SOLUTIONS

Organizations may encounter various challenges in actualizing the full potential of their ERGs.

<i>Challenge:</i>	<i>Solution:</i>
Executive Sponsors are difficult to engage or not willing to participate.	<ul style="list-style-type: none">• Link involvement in ERGs with supervisory performance ratings• Highlight and communicate Executive Sponsor roles in successful ERGs• Have engaged senior leaders articulate the benefits to their peers of taking part in ERGs

CHALLENGES AND POTENTIAL SOLUTIONS

Organizations may encounter various challenges in actualizing the full potential of their ERGs.

<i>Challenge:</i>	<i>Solution:</i>
ERGs are viewed as low value and employees do not want to get involved.	<ul style="list-style-type: none">• Have satisfied employees communicate the benefits of participation to potentially interested others• Encourage supervisors and managers to support, promote and reward employee involvement in ERGs• Emphasize opportunities for community service, recruiting talent and contributing to innovation with diverse customers

CHALLENGES AND POTENTIAL SOLUTIONS

Organizations may encounter various challenges in actualizing the full potential of their ERGs.

<i>Challenge:</i>	<i>Solution:</i>
ERGs are not effective contributors due to unclear or ineffective mission/goals.	<ul style="list-style-type: none">• Establish ERGs credibility by articulating how mission/ goals are aligned with business strategy• Create and communicate the strategic plan to achieve business objectives• Identify the unique contributions of the ERG in comparison to other existing ERGs and share best practices• Ensure that management practices are coordinated with ERG efforts

CHALLENGES AND POTENTIAL SOLUTIONS

AMERICAN EXPRESS

- Launched in 2005, **Parents at Amex** reaches more than 5,000 members across eight chapters globally. The network drives a culture of awareness and support through initiatives that help families manage their priorities, both personal and professional. Initiatives range from new parent chats, special needs support groups, father-hood breakfast series, summer camp fairs and parent appreciation days, to name a few.

LILLY

- **Lilly** offers 10 employee-led resource groups with about 60 regional affiliate groups globally that connect people from diverse backgrounds and, at the same time, support Lilly's business objectives. These include the: African American Network (AAN), Chinese Culture Network (CCN), Lilly India Network (LIN), Africa, Middle Eastern and Central Asia Network at Lilly (AMECA), Early Career Professionals (ECP), Organization of Latinos at Lilly (OLA), People Respecting Individual Differences Equally (PRIDE), Global Women's Network (WN), Working and Living With Disabilities (WLD), and Veterans Leadership Network (VLN).

BEST PRACTICE ORGANIZATIONS

- **EMC** is fortunate to have 12 Employee Circles covering various dimensions of diversity - with over 50 Chapters in 12 different countries around the world. Employee Circles work closely with executives and management teams to implement programs and training in a way that best reflects the needs of the company and its diverse global employee base.
- At **Fidelity Investments**, Employee Resource Groups have provided a solid foundation for their Diversity Strategy, and have been instrumental in engaging associates around the importance of creating and fostering an inclusive workplace. As they have developed over the past several years, the focus has shifted to professional development, mentoring and, more recently, creating business impact.
- For over 30 years, **MetLife's** Diversity Business Resource Networks have made an impact on people, customers and communities. In 2012, the company began to grow the networks globally, including the expansion of two of the fastest growing networks, the Women's Business Network (WBN) and Rising Professionals (iRISE).
- **State Street's** Flex Work Employee Network (FWEN) is committed to supporting the adoption, use and acceptance of flex work as a strategic business tool. As the "voice of the employee," the network influences change and the strategic vision of the company's Flex Work Program.

BEST PRACTICE ORGANIZATIONS

- *"Parents at Amex has been an invaluable resource as I navigate my career growth at Amex. In addition to providing practical information to parents, the connections I've made with other working parents have helped shape my expectations of what's possible as a working parent and gave me the confidence to take on more responsibility both at work and at home."* Rita S., Parents at **Amex**, New York
- *"Employee Resource Groups are no longer just social networks but are groups of individuals that strategically impact business. LIN and its members strive to expand market reach, contribute to business goals and increase employee engagement by promoting cultural awareness and finding rewarding development opportunities."* Sudhakar Chintharlapalli, **Lilly** India Network Chair
- *"Our 9000+ employees who are members of the Circles are some of the most engaged and enthusiastic employees in the company. They play an active role in fostering an inclusive culture and support our goal of holding our distinctive position as one of the best places to work in the world."* Danny Best, **EMC** Director, Diversity and Inclusion

EMPLOYEE IMPACT

Employee Resource Groups have evolved from employee support networks created to achieve diversity and inclusion to a strategic resources that enhance business outcomes in the following areas:

1. Involving employees in recruitment and talent management efforts
2. Offering leadership development and mentoring opportunities
3. Capitalizing on the knowledge of diverse employees to create consumer-sensitive branding and product development
4. Creating an engaged and inclusive work environment
5. Promoting your organization as an employer of choice and community partner

CONCLUSIONS



“ERGs have long been a safe space in which underrepresented groups of diverse employees could find support and networking, but some deliver additional business value more effectively than others. Enter the Executive Sponsor – a senior leader charged with ensuring the group has the organizational capital to make their existence and activities impactful.

Engaging Executive Sponsors in an active leadership role vis-à-vis ERGs enables them to be catalysts for specific actions that nurture and develop the ERG, stakeholders and the organization itself. Executive Sponsors are the hinges connecting ERGs with the companies that founded and hope to benefit from them.

Given the rate and pace of change, the next decade in diversity will see ERGs evolve into smarter teams of dedicated leaders whose eyes will be on the return on engagement. These groups and their leaders will play a key role in ensuring companies pivot quickly and effectively to capitalize on global competitive markets and manage the enduring “war on talent.”

Jennifer Brown, founder & CEO Jennifer Brown Consulting

CONCLUSIONS

Contact us!

Boston College
Center for Work & Family
22 Stone Avenue
Chestnut Hill, MA 02467
Phone: (617) 552-2844
Fax: (617) 552-2859
E-mail: cwf@bc.edu
Website: www.bc.edu/cwf

