A CURATED RESEARCH REPORT
Prepared by
CENTER FOR WOMEN AND BUSINESS AT BENTLEY UNIVERSITY

Taking Employee Resource Groups to the Next Level
About the Gloria Cordes Larson Center for Women and Business (CWB)

Advancing women and workplace diversity, equity, and inclusion.

The CWB provides thought leadership and training on critical diversity, equity, and inclusion issues. CWB facilitators lead hundreds of sessions with businesses worldwide, providing knowledge and tools to foster inclusive organizations.

Our dynamic programs focusing on workplace inclusion range from strategic sessions for senior leaders to hands-on workshops for emerging professionals. Topics include:

- Corporate Culture, Unconscious Bias, and Inclusive Leadership
- Allyship, including Men in Partnership to Advance Women
- Building Confidence and Overcoming Unseen Barriers
- The Role of Courageous Conversations
- Mentorship, Sponsorship, and Networks
- Talent Pipeline Issues from Entry Level to the Boardroom
- The Impact of Intersectionality
- Authentic Leadership and Team Development
- Effective Negotiations
- Workplace Flex and Parental Leave
- Taking Employee Resource Groups to the Next Level
- Developing Diversity and Inclusion Metrics
- The Multigenerational Workforce—Issues and Impacts
Employee Resource Groups (ERGs) are assuming expanding roles within their organizations. They are broadening their scope beyond the support and development of their own constituencies and aligning their goals with business objectives. This new breed of ERG is helping companies create more welcoming and productive work environments, hire and advance diverse talent, create and refine product offerings, and recognize new market opportunities.

Building on a synthesis of recent literature and practical research on ERGs, the Gloria Cordes Larson Center for Women and Business (CWB) brought together human resource executives, diversity and inclusion professionals, and ERG leaders to share the actions that were essential to fostering ERG engagement and success. This report reflects knowledge gained through our research and the discussion process with our valued business partners.

Whether you are in the initial stages of launching ERGs or have a well-established network, data on ERG trends and challenges, along with specific recommendations, will help you maximize their potential.

The first section of the report addresses:

- What is an ERG and how have the goals of ERGs evolved?
- What current trends are shaping ERGs?
- What challenges, including funding, are organizations facing in establishing and sustaining ERGs?

The second section of the report includes specific action steps and recommendations addressing:

- How to structure your ERG for success.
- How to optimize performance and look to the future.
WHAT IS AN ERG?

An ERG or Employee Resource Group is an affiliated subgroup of employees within an organization who share distinctive qualities, interests or goals. Also called business resource or affinity groups, ERGs typically have one or more senior executive sponsors. They may be initiated by employees from special constituencies or organized top-down by human resources or diversity and inclusion departments. ERG membership numbers range from a few employees in one office to thousands across multiple business units and geographical locations. Most groups today receive some corporate funding as well as technological and staff support, although the levels and amounts vary widely. ERG membership is typically voluntary and group leaders are elected by members.¹

Quick Facts

Prevalence

Approximately 90 percent of Fortune 500 companies have ERGs.²

Employee Participation

An average of 8.5 percent of employees in U.S.-based companies belong to ERGs.³

Outside the U.S., membership drops, with only 4.3 percent of employees in non-U.S. based companies belonging to ERGs.⁴

Millennials and baby boomers tend to be most interested in ERGs, perhaps because they’re more group oriented than members of Generation X. Younger workers seem less interested in race and gender-focused groups and more drawn to ERGs that bring together their same-age peers and people working at similar jobs or at similar levels within the organization.⁵

Employee Interest

In a recent study by New York’s Financial Women’s Association, 77 percent of women respondents said they would join a women’s ERG if their company offered one.⁶

Interest By Age Group [See Figure 1]

The youngest workers, under the age of 34, expressed the most interest in joining ERGs, with almost half saying they would be either “very interested” or “somewhat interested.”⁷

Generation X workers — those in their later 30s and early 40s — were the least interested, with less than 20 percent of workers between the ages of 35 and 44 expressing interest in joining an ERG.⁸

Interest among workers from those over the age of 45 ranged from 20 to 30 percent.⁹

EVOLUTION AND MATURATION

In their early decades, Employee Resource Groups were established to provide peer support and talent development opportunities for members. Often called affinity groups, they first focused mostly on African-Americans and then on women. The focus was often social. An example of one of the earliest ERGs was a Black Caucus Group at the Xerox Corporation’s Rochester, New York headquarters launched in the 1960s. Since then, ERGs have grown both in number and popularity.

Historically, ERG progress was often impeded, in part because some executive teams felt that support for the groups relieved them of further responsibility for actively promoting women’s advancement while others held unreasonable expectations, expecting that they would “dramatically change the behaviors of women, allowing them to gain visible leadership roles despite organizational barriers that prevented such advancement in the past.”

Despite impediments, ERGs pushed on, developing robust programs focused on six principle activities:

- Networking
- Talent development
- Diversity and inclusion strategies and initiatives
- Recruiting
- Increasing retention of constituent population
- Enhancing employee engagement among constituent populations

ERGs also organized training programs for their membership to improve necessary “soft” skills such as interviewing, public speaking, negotiation, and personal branding, and began matching junior employees with more experienced mentors who understood the particular challenges they faced. Through networking events, they connected members with their peers in other offices, groups, or divisions, increasing their appreciation for the workings of the organization beyond their functional silos.

Data establishing whether ERGs helped members advance into senior leadership remained elusive, but corporate commitment to the groups continued to grow. Recognizing their potential to promote diversity and inclusion goals, organizations began providing ERGs with funding and staff support as well as executive sponsors. Sponsors introduced their ERG to other senior leaders and gave them exposure to the upper workings of their companies.

Although the earliest groups were organized around demographic similarities, a growing number of organizations established groups based on life stage (Generation Y or millennial employee groups), function (sales or marketing groups), or more broadly defined similarities such as working parent, interfaith or multicultural employee groups. Today, the list of constituencies served by ERGs includes LGBTQ, Hispanic/Latino, Native American, Asian-American and Pacific Islander, veteran, and disabled employee groups as well as groups organized around shared interest in social causes such as environmental stewardship or community volunteering. [See Figure 2]
In recent years, many groups have moved beyond their original focus on networking, social change, and talent development and started contributing to a broad array of business-focused activities to benefit their organizations, not just their membership. ERG leaders find that this expansion in scope brings members into contact with more top-tier leaders, other business units, and power brokers across the organization. At the same time, these leaders are beginning to recognize that ERGs represent a largely under-utilized resource with the potential to add value in multiple ways and help the bottom line.

Research suggests that organizations rate three types of ERG contributions to business goals as the most valuable:

- **Product development**
  ERGs have begun contributing to the development of products that target customers from their demographic groups. For example, a McDonald’s women’s leadership group persuaded the company to add salads, fruit smoothies, and other lighter fare to franchise menus in order to attract female customers. Millennial employees — “digital natives” — have been drafted by technology companies to help develop and test new consumer products. While “only a third of consumer goods companies (and a few B2B organizations) involve ERGs in designing products that meet the needs of their constituencies,” those that tap this specialized in-house knowledge typically celebrate its benefits.¹⁵

- **Cultural awareness training and cultural insight**
  In addition to sensitizing peers and leadership to their blind spots around issues important to minority groups, ERGs have begun drawing on the insights of employees with cultural ties to particular markets to help marketing, customer relations, and sales personnel connect with customers and business partners in those markets.¹⁶ The “Asian Pacific team [at a large corporation],” for example, “created a customer-facing group that built strong alliances in Asia and ultimately won the company several contracts.”¹⁷

- **Brand enhancement through community service**
  According to a 2011 study by Mercer’s Global Equality, Diversity, and Inclusion Practice, “The most common way ERGs contribute to business operations is by participating in community service work that enhances the company’s brand. Three-quarters of companies say their ERGs do this type of work.”¹⁸ [See Figure 3]
 Despite predictions that ERGs would wane in popularity as the American workforce became more diverse, interest in ERGs continues to grow, particularly among millennial employees. A majority of millennials report that they would be more likely to apply to an organization that supports ERGs and more likely to stay at a company with an ERG program. Further making the case for the importance of ERGs for talent recruitment, retention, and development, a significant majority (over 75 percent) of people in this important age group reported that the presence of ERGs would have a positive impact on their level of engagement with their jobs and their companies.19

 While numerous organizations have begun to recognize the broad array of benefits these groups provide to business operations, productivity, and profits, the majority of companies have yet to catch up. Although 44 percent of respondents in one study believed that ERGs contribute to talent development and 58 percent of those with ERG oversight responsibility were persuaded that ERGs drive “inclusion and engagement to a very great extent,” only 8 percent of participants in the same study believe that ERGs “contribute to overall business performance (i.e., bottom line, product development, and client services) to a great or very great extent.”20
**TRENDS**

**Focus on Business Objectives.** The dominant trend for ERGs today is to focus on mission-critical business objectives with the goal of providing enhanced value not just to their membership but to their businesses as a whole. Numerous sources suggest that this is the single strongest force driving the rapid growth of ERGs in the past five years.\(^{21}\)

**Globalization.** ERGs have begun to spread to organizations outside the U.S., although they remain more common domestically and in the overseas offices of U.S.-owned businesses. Women’s groups have taken the lead, with multicultural, LGBTQ and disability groups also common. [See Figure 4]

**Pooling Resources.** Although ERGs that include members from multiple locations have typically functioned independently, more groups are moving toward pooling resources to organize large group conferences or collaborate on special projects.\(^{22}\)

**Partnership with External Organizations.** Some ERGs have begun to partner with external organizations such as professional associations and nonprofits whose activities complement the corporation’s community service and corporate social responsibility programs.

**Cross-collaboration.** Human Resource and Diversity and Inclusion (D&I) offices have begun encouraging ERGs to collaborate with one another, looking for synergies around recruiting, retention, talent development, knowledge transfer and other corporate priorities.
FUNDING

Budgets for ERG support range widely, with some companies spending as little as $150 for every 100 ERG members while others spend more than $37,000 per 100. The average annual budget for ERGs, according to one study, is $7,203 per 100 ERG members. Total budgets for ERG support range from no support to over $50,000. [See Figure 5] The most common sources of ERG funding are D&I offices, the business units where the ERGs reside, and HR departments. Many ERGs receive funding from multiple sources.

Most organizations also provide non-financial support, with organizations committing, on average, 1.4 full-time equivalent employees (FTEs) to the management of each ERG, most of these from HR or D&I offices. This does not include time spent during the workday by ERG members, executive sponsors, or other employees who support the work of the ERGs, which is frequently unquantified. It also doesn’t include in-kind support such as meeting and conference services, the creation of intranet social networking platforms, use of company space and resources for community outreach and service programs, etc.

Organizations vary in their process for providing ERG funding. Slightly less than half require ERGs to apply for discretionary funds and almost as many must approve budgets based on action plans detailing their planned programs and activities during the upcoming fiscal year. About a third allot the same dollar amounts to all ERGs regardless of membership numbers, impact on business objectives, or other metrics. [See Figure 6]
The shift in ERG focus to supporting business objectives raises important questions about funding in the future. Should funding be tied to a group’s measurable contributions to business development or the bottom line? If a group is bringing in business to a particular business unit, should that unit take over financing of the group? Should groups whose activities do not target commercial goals receive less funding or be funded through different mechanisms? Should groups with more limited talent development goals require members to pay dues in order to participate or should support of these groups come primarily from HR or D&I? These are all questions that will be considered by corporate leaders in the coming years.

CHALLENGES

Inconsistent Support. One of the biggest challenges for organizations hoping to sustain vital ERGs stems from inconsistent management support. Some organizations provide robust support at some locations and not others; some provide steady support over time, while others vacillate from one year to the next; and in others, HR managers support ERG goals but D&I leaders do not — or the reverse. Support doesn’t just need to be consistent; it needs to be visibly consistent.

Reasonable Expectations. Goal setting for ERG performance needs to be based on careful assessment of what an ERG can reasonably be expected to achieve, leadership’s understanding of the group’s goals, and desired outcomes that match those of the ERG leadership. If group members suspect that upper management doesn’t fully support or understand the ERG’s goals, they may lose trust in the firm’s commitment to bringing about real change.25

Measuring Success. In early stages of development, ERGs measure success in terms of the number of active members, event participation, and feedback on the value of ERGs reported on engagement surveys. As ERGs mature in aligning their goals to business objectives, accountability metrics need to evolve to reflect the impact of ERGs on those business objectives. By collaborating with executive sponsors and business areas, ERG leaders can set specific measures that indicate how ERGs are contributing.26

Losing Momentum. Some ERGs start strong and lose momentum or fall apart over time. Steady support from management and a regular practice of revisiting and revising the group’s goals, leadership and mandate can create fresh enthusiasm for the group’s role as a dynamic piece of the corporate culture.

Membership Qualifications. Since the founding of the first ERGs, organizations have fielded accusations that the groups exclude certain employees or provide benefits to favored groups at the expense of less favored groups. One way to avoid this is to stipulate that every ERG must open its membership to anyone interested in the group’s mission and goals, regardless of whether that person comes from the ERG’s principal constituency.

Under this system, men who support women’s professional progress can join women’s ERGs, people with disabled family members can join disabled employee support groups, and caucasians can join multicultural employee groups. In addition, avoid making assumptions about the privileges of any one group. Since white males typically dominate the upper echelons of most organizations, it might seem obvious to conclude that they don’t need a special resource group. But they may struggle with less obvious disadvantages stemming from educational inequities, class background, social displacement as a result of being transferred to a new location, etc.
Tap Frontline Managers. Despite strong support from senior leadership for employee participation in ERGs, members often find their efforts stymied by middle managers who resist allowing their team members to take time for ERG work. Communicating the value placed on ERGs by corporate leadership and finding ways to recognize the contributions of supportive middle managers — through awards, letters of thanks, or recognition in company newsletters or at corporate events — can be effective in persuading line managers to support ERG efforts.

Engage Introverts. Studies show that employees with a strong impulse to make new friends and acquaintances are the most likely to join ERGs. This makes it a challenge to attract introverts, who are often doing great work and have a lot to contribute but are less likely to be participate in ERGs.

Communicate ERG Value. Some employees may be reluctant to add ERG participation to their already busy schedules because they perceive that the organization does not value involvement in these groups. Communicating the support of senior leadership for ERG contributions to business objectives (including ERG activity in employee performance evaluations), and providing nonfinancial rewards and recognition for ERG contributions can dispel this fear and elevate the value of participation.
This section guides you through the fundamentals – planning, organization, establishing accountability, measuring progress, communicating, and fostering talent development.

Before you launch your ERG, gauge employees’ interest to understand what they feel is most important. Considerations include:

- Should ERGs focus on community, customers, colleagues, program administration, communications, or other needs?
- What challenges do employees confront that an ERG can support?
- How do employees plan to participate in the ERG?

Educate and engage senior leaders on the importance of ERGs.

Executive support is essential for success. In fact, visible C-suite commitment fosters critical middle management support and drives necessary change.

Select ERG executive sponsors who are personally committed to diversity and inclusion and ERG success, then hold them accountable for their ERG sponsorship work. Link their engagement with the ERG to their performance evaluations.

Establish funding sources and budgets to support the ERG.

Potential sources include corporate offices, such as Human Resources (HR), Diversity and Inclusion (D&I), and Talent Development, as well as business units that will work with and benefit from the ERGs. Clearly, financial support will influence how much an ERG can accomplish.

ERG funding support and budgets vary widely, with some employers spending as little as $150 annually for every 100 ERG members and others devoting more than $37,000 for this same size group.29

Align ERG goals with business strategies and design them with a clear understanding of the ERG’s mission and value proposition.

Research demonstrates that companies reporting ERG growth often attribute the growth to alignment of the group’s goals and initiatives with business objectives. This is a reason some companies have shifted terminology to business networks or business resource groups.30

Executive sponsors should help with goal-setting.

Examples of potential ERG goals are wide-ranging and might include:

- Educating the workplace community about bias.
- Enhancing the company’s recruitment and retention efforts.
- Increasing employee awareness of cultural diversity and the impact on consumer markets.
- Developing members’ career skills.
- Creating a more inclusive and connected organization.
Areas for potential alignment with business goals are extensive: business development; product development; customer communications; cultural competency; customer loyalty; branding; diversity initiatives; community engagement; and employee recruitment, retention, and development.

Next, identify and plan key initiatives and activities to support the goals.

These may vary widely both among and within organizations, based on the company’s evolution on diversity issues, its employee needs, and its business objectives.

A sampling of potential diversity initiatives and activities includes basic diversity education programs, best practices forums co-sponsored with other ERGS, networking events, community service, speakers series, newsletters, social media outreach, and annual conferences.

To address business goals, senior management in line organizations can be tapped to identify projects where ERGs can add value. Examples include:

- Working with marketing to identify customer preferences for a new product line.
- Working with sales to ensure the sales approach and materials presented to customers is culturally appropriate and effective.
- Identifying new business opportunities through the ERG’s external relationships.

Our ERGs created training packages for sales, marketing and senior leadership, which helped them understand the unique characteristics of business transactions in various Asian and Middle Eastern countries.

To create a more inclusive environment, the African American ERG hosted a forum in which employees shared their stories about race and its impact on their lives.

Through his work with our disability ERG, our executive sponsor was enlightened about the issues facing disabled individuals. This led to changes in our employee benefits to better support disabled employees.

Our company has become very transparent about promoting ERG co-chairs and highlighting our ERG initiatives, which has increased ERG membership.
Define and establish evaluation methods to monitor ERG performance.

- The ERG’s business plan, and accompanying activities plan, should specify timetables and evaluation tools.

- Metrics should measure the ERG’s impact on the organization and its business goals and might also gauge how well the overall organization (HR, D&I, senior leadership) is supporting the group. The latter would require input and engagement from such groups in the actual measurement process.

- Metrics can help measure both participation and impact.
  - For participation, track event attendance, number of initiatives, social media engagement, or membership growth.
  - To assess organizational impact, utilize qualitative information gained through brief surveys, feedback on events, interviews, and personal stories.

- Be sure to revisit ERG goals and metrics annually to ensure they support company priorities.

Ensure allies feel welcome in supporting or joining your ERG. This creates a more inclusive environment and increases the ERG’s impact.

- A non-member ally presents terrific opportunities for the individual and the ERG: the “outsider” learns about a new community and its unique concerns, and in the best case becomes an effective ally for the group’s mission, amplifying the ERG’s values and voice.

Emphasize the value of ERG participation to middle managers.

- Eliminate real or perceived management reluctance to allow employees time off to accomplish ERG work. Visible senior level support will be most effective in achieving this goal.

- Consistently work with line managers to identify projects where ERGs can add unique value to their businesses. Together, ask the question, “How does this benefit our business?”

Create a communications plan to raise the visibility of ERG work across the company and with senior leadership.

- A strong communications plan is part of the ERG’s success strategy, ensuring comprehensive, well-directed messaging of goals, challenges, and successes.

- The plan should articulate specific objectives, key audiences, proposed impact on all stakeholders (ranging from ERG members to C-suite decision makers), communications vehicles, a timetable, and both formal and informal spokespersons, including non-member allies.
Use financial incentives, recognition, and rewards to foster talent development and drive ERG success.

- For ERG members and leaders, recognize and reward outstanding contributions, perhaps to programs that clearly support business objectives or that have made a visible difference in corporate culture or D&I initiatives.

- Make ERG leadership a bona fide stepping stone to career advancement.

- Hold C-suite sponsors and others accountable by ensuring they have individual D&I goals and specific ERG engagement goals, and link these expectations directly to their performance reviews.

Enable ERG leaders and members to take on stretch assignments and grow their skills. Likewise, leverage your ERGs to help identify and propel emerging, diverse leaders to the next career step.

- ERGs can be a place where employees test their skills in a safe environment, gaining experience and confidence.

- ERG success stories, ideally made visible to the entire workplace community, should highlight the professional advancement of ERG leaders – this approach is a win-win for the ERG, the business, and individual employees.

- Offer skills development, if you aren’t already. If you have an established program, update and enhance it, preferably in partnership with your in-house training and talent development team.

Our Women’s ERG is formally involved in the corporate succession planning process to help identify talented women early and support their leadership development. This has increased the number of women in senior leadership roles.

Our faith-based group is creating bridges and educating the community through a broad array of programs focused on mindfulness and faith.

As an experiment, we invited a few millennials throughout our company to head ERGs. In a short time, those groups have become the most active and garnered the largest membership of all employee groups in the company.

Inclusion has become a business imperative, and ERGs are a central driving force in getting us there.
This section is a blueprint for the established ERG – how does it evolve, improve, grow, and optimize performance for the group and the entire company?

**Establish your ERG as the company’s thought leader in developing cultural competency, both for the benefit of its employees and to enhance success in the marketplace.**

- Be the catalyst for measurable progress and understanding of important D&I issues, infusing your organization with better information and understanding about critical topics like implicit bias, micro-aggressions, the personal and business value of inclusive leadership, and how to conduct non-confrontational discussions about race or gender.

- Commit to educating people with different affinities, whether cultural, societal, sexual-orientation, religious or racial.

- Leverage the unique perspective of your ERGs to provide cultural insights that inform product planning and marketing initiatives.

**Be flexible and allow ERGs to evolve based on changing demographics, employee interests and needs, the company’s culture, and the overall business environment.**

- This means recognizing that even within the same company, some ERGs may need to stick with a basic mission – perhaps educating fellow workers about their unique culture and its effect on their work life – while others could be ready to work as sophisticated business partners, engage with numerous stakeholders, identify and foster emerging leaders, and even help develop business strategy.

- Take an innovative and open-minded approach to ERG programming. Encourage ERG leadership to experiment with programming and make suggestions on where they can add value.

**Balance business needs with individual needs, and demonstrate sensitivity when doing so.**

- If your ERG is well-established and shifting emphasis from social/cultural activities to greater business engagement, some members may feel uncomfortable or even alienated. Communicate with them, engage them, recognize that change is hard, and demonstrate your ERG’s commitment to its core values.

**Strengthen the ERG partnership with HR and recruitment to enhance workforce diversity.**

- If your ERG is already partnering with HR, seek ways to improve the relationship and mutual effectiveness. Make it more strategic. Remember that as an official part of the organizational structure, HR provides a critical link to the organization and an infrastructure for your ERGs.

- Established ERGs can educate recruiters, act as conduits for talent, identify environmental factors that will attract or drive away potential employees, and provide a trusted perspective to candidates.
Identify ways for ERGs to play a more meaningful role in HR-sponsored mentorship and sponsorship programs. There is an abundance of creative, flexible approaches you can utilize based on size and shape of your organization, such as formal and informal programs, reverse mentoring, “speed” mentoring, official executive sponsorships, etc.

Create opportunities for ERGs to work together.

ERGs can learn from each other and leverage limited resources to address common business objectives. HR, an ERG council, or a collaborative ERG conference can spearhead the effort to identify mutual ERG goals.

Utilize your ERG to better engage millennials and to leverage this significant population to increase business success.

Research demonstrates millennial’s attraction to Employee Resource Groups. In one survey, almost half of those aged 18-34 indicated interest in joining an ERG versus just 25 percent of older respondents. And more than half of the 18-34 year old demographic also indicated that they would be more likely to join a company with an ERG. Why? Experts suggest that their greater ethnic and racial diversity as a group makes employee groups more appealing to them.

Use millennials as a think tank to learn more about preferences among younger consumers to better serve your market. Likewise, utilize their input to address millennial needs and aspirations as employees.

Remember that Generation Z, those born from the late 90s through 2012 and almost as large as the millennial group, may comprise a fifth of your workforce within a few years. Refining your work with Millennials will set the stage for success with this next generation.

Leverage technology to broaden ERG engagement and collaboration.

Use virtual meetings, webinars, and other collaboration tools to provide opportunities for remote employees to participate ERG meetings and activities.

As more ERGs work together on common business objects, technology can facilitate their ability to connect and communicate, regardless of location.

Get your executive sponsors even more informed and engaged.

Recruit new executives who haven’t participated in the past, and use senior staff more strategically – be sure they are playing a critical, impactful role.

Continually identify opportunities for senior leaders to authentically engage with ERGs, and always share ERG outcomes and impacts with top managers, keeping diversity and inclusion a priority in the C-suite.
Finally, revisit and revise strategic plans, goals, programs, processes and metrics.

- Update all strategic planning elements, programs and implementation processes as needed to keep pace with changes in your employee group, your company, your workforce, and your marketplace.

- If you aren’t already strategically aligned with business goals, now is the time to do it.

- Continue to measure success and be sure you are capturing the right metrics. It is not enough to say that the number of members in an ERG is growing. Rather, gather information on how they are contributing, changes in membership, etc. Recognize that many ERG outcomes are less tangible and therefore harder to quantify; to get at this information, seek qualitative feedback, such as testimonials and interviews that reflect personal benefits like knowledge growth or sense of community.

- And remember, what gets measured gets done!

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D&I has been elevated as a priority by giving our senior leadership specific D&I goals. This, in turn, is reflected in each organization and has had a significant impact on engagement by management.

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Millennials in the Multigenerational ERG created a reverse-mentoring program by mentoring more senior employees on technology.

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Our company held an ERG conference to create an opportunity for ERGs to hear what others were doing. Each was asked to identify synergies and opportunities for collaboration, and senior leaders were invited.
MORE RESEARCH IS NEEDED

To date, there have been no randomized controlled trials (and very little academic research overall) tracking the impact of ERGs on member advancement and professional development. Most research has been conducted by consulting firms, and most is comprised of surveys that collect data and views at one point in time. No studies show definitively that membership in an ERG helps employees achieve greater upward mobility, and some research has identified difficulties in achieving effectiveness. Women’s groups have been the most popular and common form of ERG for over four decades, yet women’s progress into top leadership roles in American organizations remains stalled, calling into question all initiatives designed to overcome this problem, including the impact of ERGs.

To truly assess the impact of ERGs on career advancement would require longitudinal studies that track the experiences of a large sample of both ERG members and their non-ERG peers with comparable qualifications over time.

CONCLUSION

ERGs are becoming dynamic contributors to the success of both their members and their employers by refocusing their goals and activities on supporting and promoting business objectives. By helping their businesses succeed, ERGs are winning recognition and support from senior leadership, who in turn reward ERG members with new opportunities to grow and contribute. Members of ERGs who have pivoted from hoping for access to participating as business partners find themselves gaining visibility across their organizations, enjoying their work more, and advancing more rapidly in their careers. This shift represents the future of the Employee Resource Group.
PAPERS AND REPORTS CITED IN THIS DOCUMENT


Jennifer Brown Consulting. Executive Sponsors Fuel High-Performing ERGs. 2015. (Jennifer Brown Consulting)


ERG RESOURCES AND READINGS AVAILABLE ONLINE


*Executive Sponsors Fuel High-Performing ERGs.* Jennifer Brown Consulting, 2015.


ERGs seem to be most useful in attracting the youngest workers between the ages of 18 and 24 (almost 50 percent in this group said they would be much more likely to apply to a firm that offers ERGs) and least useful for members of Generation X (35 to 44 year olds). Interestingly, the second group most attracted to companies with ERGs is 45 to 54 year olds—those employees approaching the years in which ageism can negatively affect their chances of being hired or promoted. Perhaps these workers hope that the presence of ERGs at an organization signals a commitment to supporting the development and leadership aspirations of a wide range of employee constituencies.

12 ERG involvement in recruiting can help give prospective employees an accurate sense of what it will actually be like to work at a particular firm, which can improve performance (workers for whom the match between organizational culture and work responsibilities is a good fit have been shown to be more productive), which in turn reduces attrition and increases retention. Similarly, if ERGs welcome new employees and help them adapt to the organization’s culture, this can help retain good recruits and contribute to their effectiveness on the job.

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13 Ward, P 70. More than half of respondents to one survey reported that they would be more likely to stay at a company that offers ERGs.

Several studies suggest that membership in an ERG increases employee loyalty and determination to remain at an organization “for the rest of their career.”

14 Osterhaus. As more companies recognize the impact on work performance of employee engagement, researchers have tried to measure the impact of ERGs on engagement and productivity. Results were mixed. While more than half of workers under the age of 34 indicated that the presence of ERGs would positively impact their levels of engagement, comparable percentages of workers over the age of 35 said that the presence of ERGs might actually decrease their levels of engagement.

15 Mercer, P 9
16 Mercer, P 9
17 Nance-Nash. “Employee Resource Groups, created to inspire affirmative-action advocacy, are entering a new era and purpose: helping the bottom line. The new path is not without some bumps.”

18 Mercer, P 9
19 Osterhaus
20 Catalyst, P 6
21 Includes papers and reports cited in this document, as well as Mercer, Catalyst, and Jennifer Brown Consulting
22 Mercer, P 6
23 Mercer, P 13
24 Mercer, P 1
25 O’Neil et al., P 748
26 Jennifer Brown Consulting, P 25-26
27 Ward, P 39-40
28 Mercer, P 20
29 Mercer, P 13
30 Mercer, P 7
31 Osterhaus
32 Welbourne et al. P 13 points to Van Aken et al., 1994
33 Mercer, P 7