



Getting the Most Value from Employee Resource Groups

ERGs are not social clubs. They are employee groups that can make significant contributions to organizational success when structured and managed as value generators.

It may be tempting to think of employee resource groups (ERGs), a subgroup of employees with shared goals, primarily as social clubs where people connect and exchange information. ERGs are not social clubs, though people do interact and network. An ERG that is properly utilized generates measurable value for its participants and the organization. It must be properly structured, mission- and goal-driven, and managed as a strategic employee group that enhances organizational success by addressing the unique needs of and giving voice to diverse perspectives in the workforce.

ERGs can be powerful groups that influence management decision-making, workforce cohesiveness, organizational culture, networking opportunities, and development opportunities for the next leaders. To achieve full value, ERGs must stay relevant and not devolve into a social club, meaning it is important to stay on top of the opportunities offered and to minimize the risks.

Transforming ERGs

Originally, ERGs were started to provide a safe space for diverse employees who needed opportunities to share their experiences in the workplace and unique needs. They really were more like supportive social networks helped people feel less alone by sharing personal experiences and sometimes sharing information with organizational leaders who struggled to understand and overcome bias in processes and systems.

Today, ERGs have transformed from supportive social networks to groups critical to core business outcomes and business strategies.

ERGs are currently found in 90 percent of Fortune 500 companies in the U.S. per research conducted by the Center for Women and Business at Bentley University. One statistic indicates 4.3 percent of employees in non-U.S.-based companies belong to ERGs compared to 8.5 percent of employees in U.S.-based companies.

One thing is already clear though. ERGs are not important to just mega-corporations. Any organization can utilize ERGs to achieve a number of goals.

The same research found some other interesting facts that can guide employers over the coming years as they develop and manage ERGs. One is that ERGs have matured to encompass more than a race or gender focus.

Also, the Bentley University study found younger workers are interested in joining ERGs made up of employees who are in the same age group or are working in similar jobs or at similar levels.



Employees under the age of 34 years old expressed the most interest in joining ERGs. Demographics matter when it comes to developing a successful ERG.

Expanding the Role of the ERG

Though many ERGs remain gender- or race-focused, there are plenty of other groups focused on the needs of people like veterans, managers, employee families, ethnic people, new hires, people with disabilities, and professional teams. ERGs promote sharing new ideas, interests, barriers in the workplace, project innovations, cultural experiences, and anything else important to employees and organizations.

It is a best practice to allow employees to form their ERGs based on what they see as their needs. Each group needs some level of financial support, and this contribution sends a clear message of management support and enables ERGs to be more productive and influential. An ERG does not require a lot of money, but some money enables the group to hold events or communicate with the workforce.

A formal ERG chartering process ensures people who want to start an ERG can get noticed. The U.S. Department of Energy-Office of Economic Impact & Diversity has a chartering process in which interested employees submit an application that the Office of Diversity and Inclusion must approve. Applicants must develop a mission statement, the organizational structure (leadership, responsibilities, elections, etc.), membership requirements, and planned meetings and events and their purpose. In many organizations, employees or the organization itself can initiate an ERG.

Next Generation of ERGs

There are two important features to note. First, as is true in most private and public organizations, membership is open to all employees. Salesforce calls its ERGs "ohana" groups which means "chosen family" in Hawaiian language. All ERGs, like the FaithForce ERG for all faiths and the Outforce ERG for the LGBTQ community, are open to everyone. One of the risks of ERGs is that they focus too much on a particular aspect of identity which leads to the ERG being non-inclusive.

Deloitte created Inclusion Councils to address this risk. The councils are open to all people, and they do not have a single characteristic. People are encouraged to bring their "multi-dimensional" selves. The councils engage people on interests and issues that matter across all boundaries, like varied demographics and diversity and inclusion. Deloitte calls it the "NextGen" of diversity and inclusion in that Inclusion Councils "reflect a diverse group of people with different experiences, talents, and perspectives working together."

A second important point is that the ERG must serve the organization's mission and embrace its core values. Best practices include setting the ERG's mission and goals, and designing a structure that supports the goals, like meeting frequency, assignment of responsibilities, and methods of communication.



An ERG is not a free-for-all. It needs a plan for accomplishing designated goals. It also needs executive sponsorship, and today most ERGs have a high-level leader who participates in the ERG and becomes the liaison between the group and senior level executives.

The ERG mission and goals are the link between the needs of the group and organization's strategies. ERGs can generate measurable value. They can increase employee engagement levels, help companies solve workforce challenges and improve talent management processes, generate innovation by giving voice to new perspectives of employees at all levels, enhance the understanding of diverse marketplaces, and promote collaboration, to name a few.

Establishing performance metrics can minimize the risk of an ERG getting sidetracked from achieving its goals and can inform leaders when they indicate group efforts are not aligned with its mission and goals.

Rethinking Purpose the of ERGs

ERGs continue to evolve to meet the needs of changing workforce demographics. They always have, and still do, create a sense of belonging.

As they evolve, ERGs also bring value in wider ways, including helping the organization meet its strategic goals for talent management. ERGs can help improve recruitment of diverse talent, strengthen development opportunities, and lay the foundation for diversifying the leadership pipeline by letting people demonstrate their ability to lead.

Companies are rethinking existing ERGs to ensure they are getting maximum value.