

Employee Resource Groups: Leveraging Community to Enhance Inclusion and Belonging

Employee Resource Groups (ERGs) have existed in organizations for more than 50 years. ERGs are voluntary, employee-led groups made up of individuals who join together based on common interests, backgrounds, or demographic factors. These groups operate differently from one company to another but commonly incorporate both professional and social networking activities. In the past 10 years, ERGs have evolved from networking groups that promote diversity and inclusion to key alliances that help identify talent, grow careers, promote a sense of belonging, and make direct contributions to the business.

ERGs are known by various names including affinity groups, employee networks, employee impact groups, colleague resource groups, inclusion groups, and diversity councils. DiversityInc (now Fair360) found that organizations often use the word “resource” to reflect the benefits of ERGs to the business mission, approach and outcomes. In this Executive Briefing, we will use the term Employee Resource Groups (ERGs) to cover the various types of groups.

ERGs can help employees find community among others who share their identities, interests, or concerns; increase satisfaction and retention; and provide leadership opportunities for individuals from traditionally underrepresented backgrounds. ERGs have moved beyond “food, fun, flags and festivals” to strategic business initiatives that establish shared spaces where members of an organization can feel a sense of community, connection and belonging.

During the pandemic, ERGs served as a critical lifeline for employees to maintain a sense of connection and belonging while they endured the quarantine period and adjusted to the rise of remote work. The pandemic also carried with it societal changes that highlight the continuing need for ERGs, such as increases in racial and gender inequalities. During particularly difficult times, having safe spaces such as ERGs where diverse groups can share their experiences and employees can unite and show support for one another has the potential to not only increase employee engagement, but also strengthen employees’ commitment to the organization itself (Ellevest, 2023).

90% of Fortune 500 companies have ERGs

McKinsey & Company Report, 2022

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About ERGs

History

ERGs were started as race-based employee groups that developed due to racial tensions in the 1960s. Xerox is known for having the first ERG, the National Black Employee Caucus, which was initiated in 1970. The group was founded with the support of the CEO of Xerox at the time, Joseph Wilson, who encouraged black employees to create this initial ERG. Ten years later, Xerox furthered their efforts by starting the Black Women's Leadership Caucus (Douglas, 2008).

Typically, organizations began with groups for Blacks and women. Initially, many of these ERGs emphasized social networking and opportunities to share experiences and challenges. HP is recognized for forming the first LGBT ERG in 1978 (Welbourne, 2015).

How Do ERGs Work?

ERGs may be formed at the discretion of DEI leadership, or based on grassroots employee efforts to organize. Each ERG is usually designated a liaison within the DEI or HR team who will help them access budget, develop and disseminate communications, plan events, and perform other support functions. Having an executive-backed ERG can provide employees with an important sense of community and support, as well as a channel through which to voice issues of concern.

ERGs should create a clear mission statement that identifies the audience, agenda and goals of the ERG so that employees and executive leadership understand how they can best support the group.

Often, ERGs are staffed by employees who volunteer their time. ERGs may elect to have one leader, co-leaders, or a full governing team, depending on the size of the group. In some cases members can be elected to participate or leaders may be nominated by their supervisors.

ERGs may have a company-wide structure, and also have local affiliate groups, especially in global organizations. ERGs can host events, assist with recruitment and engagement plans, serve as advisors for business activities and decisions, advocate for social change, and engage in community service. Meetings are held at intervals determined by the members, and usually include both in-person and virtual opportunities.

“Organizations need to challenge our collective thinking on ERGs. ERGs are not clubs, extracurricular work or hobbies. Providing ERGs prevents feelings of isolation and offers chances to take action by empowering groups to use their voice. ERGs are strategic cultural advocates, retention tools, and resources that help educate companies.”

— Cherie Caldwell, Head of DEI, Salesloft

86% of Gen Z workers expect employers to have ERGs

Tallo, 2021

THE 5 Cs OF A SUCCESSFUL ERG

Key elements of a successful ERG model include five Cs (adapted from the 4 C model defined in 2007 by Dr. Robert Rodriguez). Defining goals in an ERG charter related to each of these elements can help provide structure and direction for the activities of the group.

Culture

Education, awareness and empathy raising for non-ERG members in the company.

Community

Enhancing the company brand; creating opportunities for collaboration between the company and external community groups to promote social causes.

Commerce

Providing consumer/buyer insight; helping to develop innovative solutions and penetrate new markets.

Careers

Professional development for members; providing stretch opportunities and making members and ERG leaders visible to senior executives.

Communications

Highlighting the accomplishments of the ERG to enhance visibility across the company and increase involvement.

Adapted from McKinsey, 2021, 2022

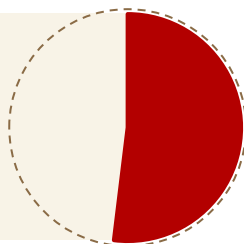
Leadership Engagement

Executive sponsors can have a big impact on whether the company meets the individual goals of its ERGs. DEI leaders should consider providing training for sponsors to ensure that they have the skills to be effective. Almost one-third of ERGs (30%) have a C-suite member involved in high-level decision-making (e.g., ERG lead compensation, group budgets, etc.). Yet, the same percentage (30%) of groups lack the ongoing support of a full-time DEI professional, regardless of where that person is positioned within the organization (The Rise Journey 2022).

In recent surveys reported by SHRM, a disconnect exists between how executive sponsors view the success of the ERGs and how ERG leaders view progress, with 78% of executive sponsors believing involvement in ERGs support career advancement, but only 40% of ERG leaders agree. This disconnect shows up in feelings of belonging as well – 91% of executive sponsors feel a sense of belonging at work, but only 76% of ERG leaders say the same (SHRM 2022). Sponsors and senior leaders can listen and show support by meeting regularly with their ERGs, advocating for the group's needs and inviting ERG leaders to share their activities and feedback to the C-Suite on a regular basis. They can also share their aspirations for the groups and identify the connections between ERG activity and business strategy.

100% of executive sponsors feel their company encourages ERG participation

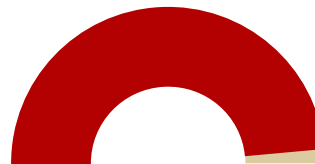
52% of ERG leaders think that is true



Diversity Councils and Inclusive Employee Groups

The implementation of Diversity Councils can elevate oversight and engagement in DEIB efforts to the executive level of the company. DEI Councils are often led by a C-Suite executive and include representatives from various affinities but look at DEI issues with a more holistic lens. Diversity Councils can be comprised of champions in different divisions and functions who come together to support and drive DEI goals.

Rather than serving a specific population, some organizations are developing groups that are inclusive and based more on the interest in making connections, the sense of belonging, and the development opportunities that arise from ERG participation. Groups that are interest-based across identities can provide opportunities for employees who do not feel they fit into other ERG communities. Examples include groups for those interested in furthering their careers, or who are dedicated to certain causes like environmental sustainability and climate change.



97% of ERGs in HRC's Corporate Equality Index have an executive sponsor

HRC, 2022

FIVE DIMENSIONS OF ERG ACTIVITY

External Engagement

Engaging outside the organization through community service and volunteering

ERG members rated their group 54% effective in this dimension

Allyship

Educating employees about allyship; leveraging allies to help employee resource group (ERG) members and to further the ERG's mission

ERG members rated their group 54% effective in this dimension

Leadership Connection

Providing a channel to engage with company leadership

ERG members rated their group 46% effective in this dimension

Employee Community Building

Broadening the social network and meeting others within the organization

ERG members rated their group 66% effective in this dimension

Career Advancement

Offering advice and support to advance the careers of ERG members

ERG members rated their group 40% effective in this dimension

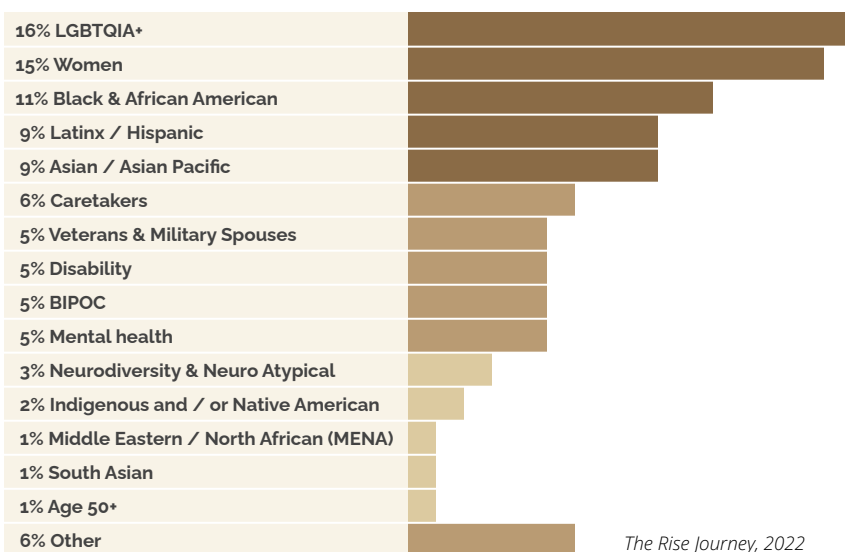
Adapted from McKinsey, 2021, 2022

ERG Participation

There are numerous types of ERGs at different organizations. ERGs are typically organized by a “demographic (e.g. women), life stage (e.g. Generation Z), or function (e.g. sales).” One way to frame the types of ERGs is to view them as falling into one of three categories: “social-cause centered, professional-centered, and attribute-centered” (Welbourne et al, 2015).

The most popular ERGs are focused on women and LGBTQ+ employees. The ERGs with the most traction and interest tend to be those ERGs that are closely linked to business strategy. When employees perceive their efforts to directly impacting business outcomes, they are more likely to get involved.

Types of ERGs



Intersectionality

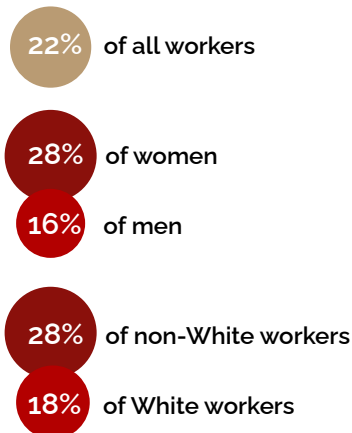
Younger people are much more likely to see themselves as multiracial and to align with several dimensions of diversity, such as having a disability (including neurodiversity), their caregiver status, or being a member of the LGBTQ+ community. Some employers, recognizing this growing intersectionality, have been moving away from traditional affinity-based employee resource groups, preferring to address all “multicultural” needs together and look at DEI issues more holistically.

DEI liaisons to the ERGs can help foster the connection between groups and partnerships to develop events that engage members around their intersectional identities and resources for those with multiple intersecting identities. Some ERGs also develop subgroups to help address the multi-dimensional needs of their employee members. Members with intersectional identities may participate in several groups, or the one group that best fits their needs for affiliation and connection.

**Recent US Census data show a 276% increase
in people who self-identify as multiracial**

McKinsey, 2022

Participation in ERGs varies



Pew, 2023

CONSIDERING NEW ERGS

How do organizations decide which ERGs to sponsor and support? Often a core group of grassroots employees will craft a proposal for a new group to be recognized, and then gain leadership buy-in for their efforts.

Faith-based groups are gaining traction, as religion becomes a significant dimension of diversity more companies are recognizing. Interfaith ERGs are an inclusive way for employees to connect across their beliefs and learn about others, and to improve understanding in a climate of mutual respect.

Newer employee groups have started to emerge that reveal **expanded thinking about what diversity means**, which helps to keep a company relevant and forward-thinking, too. For example, some companies have launched ERGs for neurodiversity or for boomerang employees returning to the company or the workforce after an extended break. (*Quartz, 2021*)



BEST PRACTICE

Lilly: Employee Resource Groups (ERGs)

THE POWER OF DEI

Lilly believes in the power of diversity, equity and inclusion (DEI) to fulfill the purpose of creating medicines that make life better for people around the world. At the core, Lilly believes that by leveraging the varied backgrounds of more than 39,000 employees – and by driving actionable and measurable strategies to improve DEI, including diversity within clinical trials – the company can better deliver scientific breakthroughs.

Employee Resource Groups (ERGs) are an important component of developing talent. ERGs represent diverse groups including women, minority group members, LGBTQ+ individuals, veterans and people with disabilities. ERGs offer Lilly employees opportunities to build relationships, connect with senior leaders and engage with local communities – all while surfacing insights and perspectives that help strengthen the company.

More than **15,000** employees worldwide belong to one or more of Lilly's ERGs. In the U.S., most of the 11 headquarter-based ERGs also have associated field-based organizations. Ally organizations within Lilly are especially active in supporting women and LGBTQ+ employees, and members of the Executive Committee provide executive sponsorship for each ERG. Lilly's ERGs focus on mentoring and employee engagement—but also have a significant impact on the business.

Each ERG is aligned with a member of the company's executive committee and has a top-talent organizational chairperson and a lead team of energetic employees with a passion for diversity, equity and inclusion.

INTEGRITY, EXCELLENCE and RESPECT

Lilly's values of integrity, excellence and respect for people create an environment where employees are encouraged to speak up, share ideas and be fully engaged, while bringing their authentic selves to work every day.

EMPLOYEE JOURNEYS

Lilly believes that fostering DEI begins with understanding, and has approached DEI with the same rigor as other business-critical priorities. Over the past eight years, Employee Journeys research has yielded important insights about the experiences of women, Black American, Latinx, Asian and LGBTQ+ employees at Lilly. In response to insights from this research, Lilly has developed an education and awareness program to help build cultural literacy and understanding about expectations for employees to feel psychologically safe. The latest Employee Journeys research for employees with disabilities, in collaboration with the EnAble ERG, will conclude in 2024.

Employee Journeys research has contributed to growing energy around DEI across Lilly, including a company-wide network of DEI champions, functional DEI initiatives and DEI teams across business areas. The research continues to inform several internal initiatives, including Make It Safe to Thrive training and psychological safety efforts. The DEI team strives to continually improve the ability to further embed DEI into the business, and uses learnings from these efforts to further inform people strategy.

Lilly recognizes that there is more work to do, but these initiatives are making an impact. In the 2022 employee Pulse surveys, there was continued progress on key questions related to inclusion.

LEVEL UP DEI CONFERENCE

Lilly has reimaged DEI programming with Level Up: Better With You, our all-employee DEI Conference. The goal of the conference is to bring together all of Lilly's ERGs, along with leaders from across the company to further embed DEI in all we do. The innovative program features inspirational speakers and impactful training sessions and offered an elevated conference experience highlighting the rich dimensions of differences existing across Lilly.

ERG Support and Funding

While ERGs play a crucial role in DEI strategy, organizations should ensure that ERGs are not burdened with solely leading the charge for creating an inclusive workplace. Executive leadership, supported by budget and organization-wide business efforts, should share the responsibility for driving meaningful change.

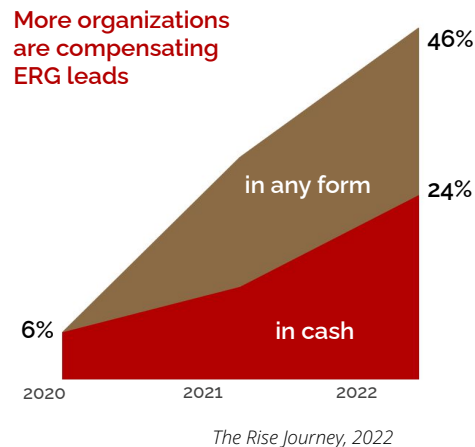
Organizations that put funding behind their DEI&B initiatives, and in particular their ERGs, contribute to the success of these communities and also demonstrate their commitment to supporting them. Funding per ERG should include three elements: ERG leader compensation, a budget for programming such as invited speakers, trainings, and community partnerships/sponsorships, and a modest monthly budget for other smaller expenses, such as lunch or refreshments for a few events per year, supplies, and ERG swag.

Companies allocate, on average, 1.4 full-time employees to manage an ERG. Budget amounts for ERGs vary widely, based on the size of the organization and overall funds allocated to DEI&B initiatives. The average annual budget is \$7,203 per 100 members, with multiple sources of funding including D&I offices and HR. (Medium, 2019) According to a study by Fair360, formerly DiversityInc, the average budget for employee resource groups among their partner companies is between \$7,000 and \$15,000 per year, but for large companies, that number can go as high as \$75,000 to \$100,000 a year.

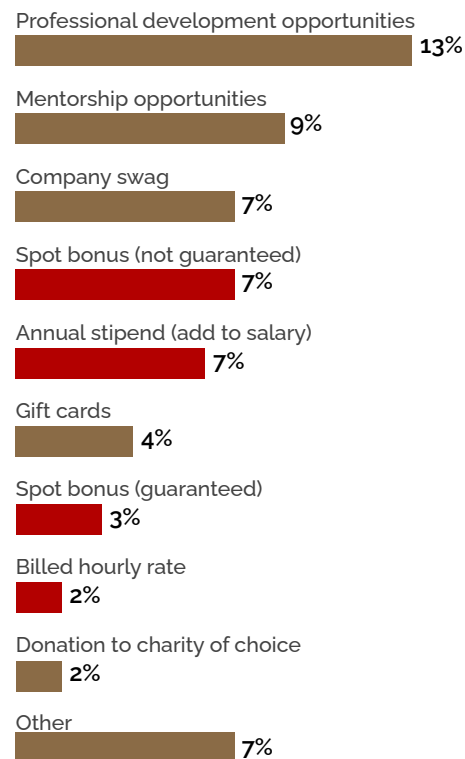
Rewarding ERG leaders

ERG members pour hours into recruiting members, hosting meetings, designing programming, and more. In some cases, they do all this for free (ERGs are typically considered “volunteer-run”) and often without recognition. This results in members balancing their day-to-day responsibilities with the needs of the employee resource groups. As a result, many ERG members – especially leaders – can feel overloaded by the additional work ERGs involve. These individuals have the knowledge, passion, and commitment to contribute to the ERGs, and are working extra to benefit the company, frequently without added compensation.

An increasing number of companies recognize and compensate ERG leaders for their ERG work and make ERG responsibilities a formal part of leaders’ roles, considered in their performance reviews and promotion decisions. Effective organizations also provide ERG leadership with professional-development options, networking opportunities, and access to company leaders. Compensating ERG leads is a way that a company can demonstrate their commitment to the success of their ERGs and ensure that its leaders do not become burned out when taking on the additional responsibilities that the role requires. In 2021, LinkedIn started to annually compensate 20 ERG global co-chairs \$10,000 during their two-year terms, and other organizations have since followed.



Types of compensation for ERG leads:



“[Paying ERG leaders] acknowledges that ERG leaders already have a full-time job on their plate and that managing an ERG to the fullest capacity is a role ... They’re managing a budget and connecting across departments.” — Women In Tech Blog, 2023

Engaging Allies

ERGs provide a safe space for those who self-identify to find support, and are also a place where allies of that group can learn, and demonstrate and find support as well. Harvard Business Review [states](#), “Allyship is a lifelong process of building and nurturing supportive relationships with underrepresented, marginalized, or discriminated individuals or groups with the aim of advancing inclusion.” Allyship is an active practice of lifting others and creating platforms for them so that their voices are heard. Allyship behaviors include: deep curiosity, authentic conversations, vulnerable interactions, courageous responsibilities, honest introspection, humble acknowledgement, and empathetic engagement (Harvard Business Review, 2022).

Organizations may provide training to those who share a desire to become allies, and allies may be invited to engage in some of the activities sponsored by ERGs. In other instances, the ERG may determine that identifier-only events are more appropriate.

Becoming and Effective Ally

Allyship is a strategic mechanism for individuals to become collaborators to promote equity in the workplace. Individuals can become better allies by:

- **Learning and listening.** An ally takes the time to read, listen, watch, and deepen understanding first before acting. Recognize that members of an underrepresented group won't all have the same experiences—especially if they are from different cohorts.
- **Owning privilege.** Being an ally requires recognizing the advantages, opportunities, resources, and power that comes with privilege. It is also important to understand that privilege is a resource that can be deployed for good.
- **Accepting Feedback.** Deliberately seeking feedback from marginalized groups, but recognizing the power dynamics at play is the work of an ally. Establish trusting relationships with people from marginalized groups (especially those disadvantaged in multiple ways) who will give honest feedback of workplace conduct.
- **Speaking out.** Vigilantly monitor your workplace for discriminatory behavior, and then be clear and decisive in shutting it down. Also look out for gaslighting—psychological manipulation that creates doubt in victims of discrimination.
- **Building a community of allies.** Seek out like-minded people in all parts of your organization and then grow your base. Focus advocacy on evidence-based tactics that will drive small wins within your sphere of influence, and create opportunities to interact through networking, mentoring, and professional development events.

Adapted from [HBR, Be a Better Ally](#) 2020

“The point of allyship is not to make yourself look like the hero, it’s about shifting the spotlight onto others (typically marginalized individuals) and making sure their voices are being recognized and included in the conversation.” — DEI consultant Jennifer Brown

70%
of ERGs have events or meetings where
allies are encouraged to attend

49%
of ERGs have
identifier-only/in-group-only
events or meetings

Source: *The Rise Journey*, 2022

ALLY-FRIENDLY ERG EVENTS

Group discussion of **behavioral norms** in the workplaces

Monthly or quarterly recurring meetings **for all to learn about initiatives, progress, and any updates** from the ERG

Corporate Social Responsibility (CSR), **volunteering, mentoring, and other work** that is done with or for the community

IDENTIFIER-ONLY ERG EVENTS

Someone doesn't feel safe describing a difficult experience in front of someone who does not come from the same background

In addition to an ally-friendly recurring meeting, one for identifiers-only to have a space that is wholly their own

After a traumatic event that happens to a specific demographic group and employees would like to process as a group

The Rise Journey, 2022

ERG Impact

Business Impact. ERGs provide a unique opportunity for creating a more effective talent management approach in addition to an informed and consumer-sensitive business strategy. Benefits of ERGs for employers include:

- Innovation promoted by creating opportunities for diverse and culturally sensitive ideas to develop, and informed decision making with input from employees knowledgeable about specific demographics or populations.
- Leadership development and career promotion opportunities provided for employees at all levels.
- Mentoring opportunities given from the top-down and bottom-up (e.g. younger employees mentoring senior leaders on social media).
- Talent acquisition, talent management and recruitment efforts expanded to include a diverse employee base through the connections and networks of ERG members.
- Engagement, commitment, retention and job satisfaction strengthened by offering employees a voice in decision making as a direct contributor to the business outcomes of the organization.
- Cultural competency: in our current global economy, multicultural competency and understanding are critical for business success. ERGs can utilize employee knowledge and expertise to create culturally sensitive product development, marketing, and customer service as well as supplier diversity.

Employee Impact. Employees can benefit from participation in ERGs in a number of ways, including:

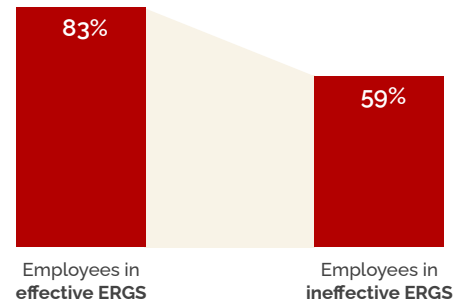
- Connections and networking offered with those who share a common identity or interest, with employees across the organization at all levels, and with leaders and decision makers.
- Taking on new roles and learning new skills outside of their “day job” that may lead to enhanced visibility, new career opportunities or connections with mentors and sponsors.
- ERGs can provide a voice for marginalized employees; coming together to identify and advocate for their community's needs and communicating ideas for solutions.

Community Impact. Employers should engage their ERG in identifying local organizations they can both support and collaborate with.

- ERGs can guide more inclusive and socially responsible corporate behaviors that can deliver dividends to the communities in which businesses operate. ERGs can increase the visibility of societal disparities and work to promote social inclusion.
- ERGs foster connections between the company and the communities where employees live and work and identify opportunities to serve local organizations through volunteer opportunities, event participation, and financial support. Examples: Pride parade for LGBTQ+ ERG members and allies, mentorship of teens in underrepresented groups.

Employees in effective ERGs report
higher positive inclusion scores

McKinsey, 2022



CREATING AN IMPACTFUL ERG PROGRAM

Atlassian has identified clear, non-negotiable components to an ERG that tangibly improves employees' working lives:

Start with listening

Successful ERGs are based on real conversations with the employees they'll represent.

Leadership buy-in

Support from leadership makes it easier to secure resources, support members, and plan initiatives that actually have an impact.

Consistent internal structure

Every ERG should have a similar leadership structure and budget.

Adequate resourcing

ERGs should have the resources they need to plan activities and initiatives, and compensate their leaders.

On-ramps to allyship

Establish clear ways for allies to get involved, without relying on ERG members to make it happen.

Alignment with mission, vision, and values

ERG's goals should never be at odds with those of the larger organization.

Adapted from Atlassian, 2023

BEST PRACTICE

Prudential: Business Resource Groups (BRGs)



Prudential

INTRODUCTION

At Prudential, the focus is to embed Equity and Belonging into every aspect of the business. For over three decades, Prudential's employee-led Business Resource Groups (BRGs) have played a vital role by championing inclusion, helping peers grow their networks, and providing valuable insights that enable the company to develop products and services that better serve its customers.

THE B IN BRG

While many companies refer to their affinity groups as Employee Resource Groups, or ERGs, Prudential has always used the term Business Resource Groups in recognition of their ability to deliver business value and meet the needs of the communities we aim to serve. BRGs have created safe spaces for employees to share their experiences and learn from each other. Additionally, by design, Prudential's BRGs are uniquely positioned to provide insights that drive product development, talent management, and market strategy for our businesses. Each BRG has Business Leads, who are accountable for identifying opportunities where BRG members can inform and support business goals.

FROM INSIGHTS TO IMPACT

BRGs are increasingly playing a role in how Prudential goes to market. As the company focuses on reaching a broader range of customers than ever before, they have leaned into the BRGs for their expertise and relationships to inform the development of solutions that better meet the needs of the mass market. Specifically, this approach helped support the launch of *Blueprints to Black Wealth*, Prudential's first holistic, multifaceted growth strategy aimed at addressing the financial wellness needs of Black Americans. In addition, BRGs have participated in design sprints and focus groups to influence targeted marketing campaigns and product designs.

EXPANSION

Forty-one percent of Prudential's U.S. employees participate in at least one of the eight BRGs, reflecting the value that these groups provide to employees and the business. BRG membership continues to expand as part of ongoing efforts to further an inclusive workplace culture, where everyone contributes to industry-leading customer experiences.

In the past several years, new BRGs have activated in Brazil, Japan and the UK, supporting our international businesses to help the company remain informed and competitive in the global marketplace.

INCLUSION COUNCIL

Prudential's executive leadership recognizes the important role BRGs play in cultivating a culture of belonging and driving business outcomes. The Enterprise Inclusion Council, led by Chairman and CEO Charles Lowrey, was created in 2019 to provide a forum for two-way communication between BRG members and executive leadership. The meetings are an opportunity for senior management to hear directly from the BRGs about what is top of mind for their members and incorporate those insights into enterprise-wide strategic planning and DEI initiatives.

WHAT'S NEXT

In 2024, the BRGs aim to:

- Maximize connection and processes to leverage BRG insights for priority business initiatives that address the needs of diverse, middle and mass markets
- Develop BRG programming focused on intersectionality to engage more of Prudential's employee base. These events will highlight how race, class, gender, disability, and other individual characteristics intersect with one another and how that impacts people's lived experiences
- Continue to scale international presence to better serve and represent Prudential's global footprint.

Belonging

Social belonging is a fundamental human need—one that naturally extends to the workplace. According to [Coqual](#), “when people feel like they belong at work, they are more productive, motivated and engaged, thus making them 3.5 times more likely to contribute to their fullest potential.” Feelings of belonging encourage collaboration with peers which may lead to increased innovation.

Deloitte defines employees’ sense of belonging as how organizations can foster diverse, equitable and inclusive communities for workers and how they feel like members of the broader world. This impacts how employees are accepted and feel comfortable being themselves, as well as how they contribute to their respective organizations’ common goals.

ERGs eliminate “outsiderness” by creating a community of those with similar backgrounds and interests. ERGs can also engineer empathy-building experiences, introducing peers and allies to their traditions and cultures so they feel valued for the experiences they bring to the workplace.

“DE&I is about your organization’s approach and principles, while belonging tells you if it’s working.”

— Monique McDonough, Kazoo

The Importance of ERGs in a Dispersed Workplace

The pandemic forced people to adapt and, in many cases, to get creative to bridge the gaps among remote workers, and these efforts continue to thrive in the new hybrid workplace.

- Whether remote or in person, ERGs are ready-made spaces for mingling and networking. They create a forum where people from different departments and geographies can strike up unexpected relationships and alliances.
- ERGs became critical channels for communication where companies could share information about the pandemic and employees could gather to process the many changes and challenges in their work and life circumstances.
- To improve accessibility and promote maximum engagement, include remote workers in considering how to structure meetings (ie. limiting hands-on activities that remote workers cannot participate in) or developing virtual options. That includes recording events so members can watch them when they have time, and being mindful of workers’ different time zones. If a meal is served, consider sending a gift card or care package to remote workers, so they can enjoy partaking in the full experience as well.
- ERGs can organize “coworking days” for remote ERG members to connect and work alongside one another. These could include meeting at a coworking space or hoteling suite at the office on a mutually agreed upon day or organizing attendance at conferences, summits, retreats, or group meals.

The positive workplace impact of belonging:

56% higher level of overall job performance for employees with a greater sense of belonging

75% fewer sick days taken by those who feel they belong

Qualtrics 2022

THE FOUR ELEMENTS OF BELONGING

Coqual identifies four elements that contribute to belonging at work:

Seen

When you are seen at work, you are recognized, rewarded, and respected by your colleagues.

Connected

When you are connected at work, you have positive, authentic social interactions with peers, managers, and senior leaders.

Supported

When you are supported at work, those around you give you what you need to get your work done and live a full life. These people may be peers and senior leaders.

Proud

When you are proud of your work and your organization, you feel aligned with its purpose, vision, and values.

Coqual, 2020

The Alignment Between Belonging and Wellbeing

In recent years, there has been more attention paid to employee wellbeing and mental health. People in underrepresented groups may have different needs when it comes to mental health, and also uneven access to providers with their shared lived experience.

Forward-thinking organizations have begun to break down silos and form partnerships between professionals in the DEI space and those focused on employee well-being, and mental health in particular. Employee well-being teams can tailor programs and supports to the specific needs of each ERG community.

“ERGs can provide **safe spaces** for employees to discuss sensitive topics– such as mental health challenges– and obtain access to resources. This can be particularly helpful for LGBTQ+ employees and other underrepresented groups, as they may be more reluctant than others to discuss such topics at work” — McKinsey, 2022

The Growing Problem of Loneliness and Social Isolation

Post pandemic, more than half of U.S. adults (58%) are classified as lonely (Cigna, 2022), and a lack of sense of belonging can cause physical and psychological pain. Loneliness is a complex problem with no easy solutions. However, one thing is clear: connection is key. ERGs have become a core component of how many organizations think about helping employees connect with one another.

Loneliness and social isolation are sometimes misconstrued as the same phenomena in public discourse and media. Previous research has shown they are distinct psychosocial constructs that are weakly to moderately correlated with each other. It is possible to be lonely and socially isolated, lonely but not isolated, and isolated but not lonely. Research suggests that immigrants, people from underrepresented groups like Hispanic and Black adults and LGBTQ+ individuals experience loneliness more often than other groups. ERGs can serve as a resource to bridge this gap and facilitate meaningful connection and a sense of belonging within an organization.

The mortality impact of being socially disconnected is similar to that caused by smoking up to 15 cigarettes a day, and even greater than that associated with obesity and physical inactivity.

*Dr. Vivek Murthy, U.S. Surgeon General
Great Places To Work, 2023*

SOME GROUPS ARE MORE AFFECTED BY LONELINESS

Younger adults and people from underrepresented racial groups are more likely to experience loneliness. Employers have an opportunity to address workforce loneliness by helping employees build and enhance meaningful workplace connections, greater resilience, and improved emotional well-being.

U.S. adults who are **classified as lonely**:

58% All adults



68% Black/African American

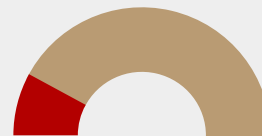


75% Hispanic

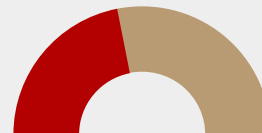


Adults who report **always feeling left out**:

16%
People 55+



42%
People 18-24



Source: Cigna, 2022

BEST PRACTICE

Northrop Grumman: Connect1NG



AN INCLUSIVE ERG

Connect1NG is a Northrop Grumman employee resource group (ERG) intended to foster inclusion and camaraderie among all employees. Connect1NG works to create a diverse professional environment of inclusion where employees from all backgrounds have unparalleled access to opportunities regardless of location, and fully embrace their responsibilities to each other in making Northrop Grumman a top employer worldwide. Connect1NG energizes Northrop Grumman employees with opportunities to engage and develop as leaders within the company.

Connect1NG partners with all functions, leaders, and employee resource groups and new employee orientation to connect new and current employees with colleagues, leadership, products and the community. The group fosters an inclusive environment and promotes diversity of thought to enable the grassroots innovation and engagement that drive Northrop Grumman as a top performing organization and workplace of choice known for employee career growth opportunities.

What's In It for Leadership

- Employees in ERGs stay with the company longer
- ERGs increase engagement among employees
- Membership boosts team's experience with leadership
- ERGs forge stronger business partnerships
- ERGs are a recruitment differentiator at career fairs and conferences

THE CONNECT1NG PILLARS

- Connect1NG with Products and Services
- Connect1NG with Colleagues
- Connect1NG with Leadership
- Connect1NG with Community

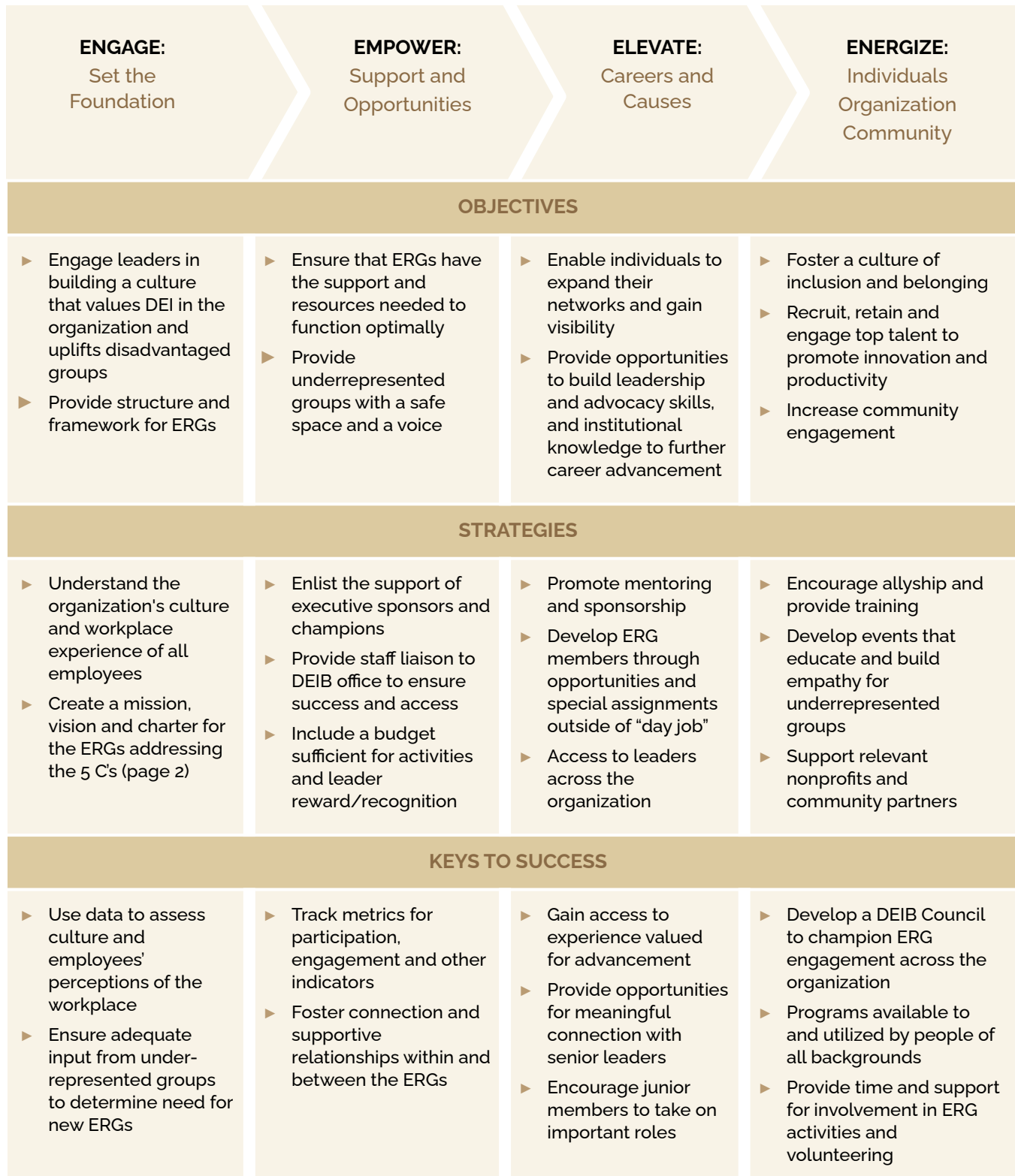
Through the four pillars, Connect1NG creates a dynamic cycle of inclusion. The goal of Connect1NG is more than connecting people with people – it's about connecting people with opportunity. Connect1NG provides an inclusive environment where any employee can learn more about the work, capabilities and products of Northrop Grumman and see how they can continue to impact the business through professional and personal development opportunities. Connect1NG is a resource for networking and collaboration, educational and business opportunities, community involvement, mentoring and so much more.

What's In It for the Employee

- Professional development
- Experience in leading
- Event facilitation opportunities
- Community outreach
- Support for partner schools
- Volunteering for non-profit organizations

“ It means a lot that I work for a company that not only invests in me, but in my community. This is where I live, where I’m raising my son. It’s important to me that these are our company’s values. ”
- Katy, Administrative Assistant and Membership Chair on C1NG chapter board

Strategic Framework for Leveraging ERGs



CHALLENGES AND POTENTIAL SOLUTIONS

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

CHALLENGE:	SOLUTION:
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 groups having similar goals (e.g. DEI, Talent Management) and other ERGs ■ Ensure that senior leaders are aware and supportive of the goals of ERGs, and encouraged to actively provide input ■ Communicate ERGs contributions to showcase their value to the organization
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
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 potential interested others ■ Encourage supervisors and managers to support, promote and reward employee involvement in ERGs ■ Allow employees to meet on company time and provide space for meetings ■ Emphasize opportunities for community service, recruiting talent and contributing to innovation with diverse customers
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
The organization doesn't provide any resources for activities/events.	<ul style="list-style-type: none"> ■ Prepare a yearly budget to receive funding based on the successes of annual activities ■ If possible, have the Executive Sponsor advocate for the ERGs financial needs
Dispersed/virtual workforce makes ERG engagement challenging	<ul style="list-style-type: none"> ■ Ensure that ERG activities are offered across many platforms, not just on-site, and that virtual participants feel engaged and have an equitable experience (food, breakout chats, etc.) ■ Consider a larger annual event that brings members together in-person, whether it be a ERG showcase, DEI conference or other gathering ■ Encourage regional meetings or events such as volunteering projects or coordinating coworking days

BEST PRACTICE

Pride at Vertex: Celebration, Reflection and Intersectionality



PRIDE is one of Vertex's four global employee resource networks (ERNs) that foster connectivity and collaboration among colleagues. Dedicated to developing and enhancing belonging and career satisfaction for LGBTQ+ and allied Vertexians, the PRIDE ERN has amassed over 300 members across levels, functions and geographies. It serves as an example of how engaged employees and committed leadership ensure that Pride is embedded in the corporate culture throughout the year—not just in June.

Community is an important area of focus for the PRIDE ERN. The network is committed to ensuring their efforts are contributing to Vertex's unique culture—an inclusive environment where everyone feels comfortable bringing their best self to work. The PRIDE ERN aims to be a supportive team that all LGBTQ+ colleagues and allies can rely on for sharing experiences; it also creates a safe space for discussing relevant, sometimes challenging, topics. The PRIDE ERN engages with employees across the company and around the world to recognize and celebrate the LGBTQ+ community, including during Pride Month, International Day of Transgender Visibility, and Lesbian Visibility Week, among others.

Advocacy is another critical component of the PRIDE ERN. Their work focuses on how to advocate for its members and allies and the LGBTQ+ community as a whole. This includes:

- Partnering with Human Resources, Facilities and other Vertex groups to establish and expand inclusive policies, benefits and safe spaces for LGBTQ+ individuals. The company's industry-leading U.S. total rewards and benefits package includes gender affirming services, fertility coverage and access to mental health and well-being programs.

- Providing visibility and connection to LGBTQ+ organizations like the Human Rights Campaign, Greater Boston PFLAG, GLAD, and [Fenway Health](#).

Education: Continuous learning is another focus area for the PRIDE ERN. The group has its own budget and regularly invests in hosting external speakers (often in conjunction with other ERNs) in recognition of the intersectionality of individuals' identities. They also host panels with colleagues from different areas of the organization that come together to share their personal experiences and perspectives.

One successful campaign has been around **sharing pronouns**. The PRIDE ERN partnered with the ID&E, People Experience and Data, Technology and Engineering teams to offer self-identification options across tools like HR profiles, Microsoft Office and Zoom. Vertexians have multiple gender identity and pronoun options to choose from. To help promote this initiative and encourage employees to opt in, they also shared information and resources of why pronouns are important, including why they are important at work.

To further enhance corporate culture, Vertex launched a **reverse mentoring program** that provides LGBTQ+ members with a forum to coach, train and develop their leadership team on sexual orientation and gender diversity issues. This successful program is another example of how Vertex leadership continuously commits to better understanding the lived experiences of the LGBTQ+ community. This Vertex initiative has become a model for other biotech companies that are interested in setting up a similar program.

“Our ERNs at Vertex strengthen community and belonging and provide access to mentorship and professional development across functions and levels. Importantly, they also play a key role in enabling employees to directly shape our company's inclusive policies and programs.”

- E. Morrey Atkinson, Ph.D., EVP and Chief Technology and Operations Officer,
Head of Biopharmaceutical Sciences and Manufacturing Operations, Vertex Pharmaceuticals

Conclusion and Key Recommendations

Employee Resource Groups have evolved from employee support networks created to achieve diversity and inclusion to strategic resources that enhance business outcomes. They are a cornerstone of any diversity, equity, inclusion and belonging strategy.

The groups drive engagement, build community, develop leaders and contribute to business success. Employers can take the next steps in leveraging these groups by establishing clear leadership and goals for the ERG, securing resources to compensate leaders and fund group initiatives, and engaging allies in helping to foster an inclusive and supportive work environment. Tracking metrics around engagement, participation, advancement and retention, and new business innovation can help demonstrate the effectiveness of these groups and their impact on the business.

ERGs can serve as communities of belonging, where people can network to improve the employee experience and connect deeply with their colleagues, while also feeling supported in their career development and able to explore ways to link the organization with the surrounding community. Companies that support and leverage their ERGs, and elevate the voices of those communities, will foster higher engagement and belonging across the organization and promote their organization as an employer of choice and corporate citizen.

Selected References and Resources

Effective employee resource groups are key to inclusion at work. Here's how to get them right. (McKinsey & Company, 2022)

The Power of Belonging (CoQual, 2020)

The Future of ERGs (Seramount, 2022)

Guide for Building Employee Resource Groups (Senior Executive, 2023)

Employee Resource Groups Create a Sense of Belonging, Foster Engagement (SHRM, 2022)

How to Make Paying ERG Leaders Part of Your DEI Strategy (Senior Executive, 2023)

Diversity, Equity and Inclusion in the Workplace (Pew Research Center, 2023)

Why ERGs matter even more in a remote world (Quartz, 2021)

Report: State of the ERG 2022 (The Rise Journey, 2022)

Belonging at work: The top driver of employee engagement (Qualtrics, 2022)

Utilizing Employee Resource Groups For Remote Employee Engagement (Ellevest, 2023)

“ERGs are a safe place for employees to discuss organizational challenges, seek career guidance, training and coaching that they may not have the opportunity to receive in their current departments.”

ERG Executive Sponsor

The Boston College Center for Work & Family is the country's leading university-based center focused on helping organizations enhance the employee experience. By bridging the worlds of academic research and corporate practice, the Center helps progressive employers find the most relevant, evidence-based information available in order to craft the best possible workforce management practices.

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