



Four Steps to Unlocking the Potential of ERGs

The number and influence of Employee Resource Groups (ERGs) is growing exponentially. For new and experienced ERGs alike, how will these groups realize their enormous potential?

By Jennifer Brown

Employee engagement, social connections, networking and leadership development ... all of these critical benefits are occurring at the heart of most large companies, in their Employee Resource Groups (ERGs). How can these groups not only continue to serve as all-important “connective tissue”, but start to find new, even more business-aligned ways to add value?

In the future, new markets, new products, collaboration and innovation will be the name of the game. JBC believes the following 4 key steps are critical in realizing this vision.



Executive Summary

*A more detailed description of actions for each step can be found on pages 3-5 of this document.

Four Steps to Unlocking the Potential of ERGs*

1 Develop ERGs Strategically

- Form ERGs around both identity (gender, race, sexual orientation, etc.) and non-identity (interests, experience, generational, etc.) affiliations
- Manage ERG as a strategic brand, with consumer benefits, recognition, real communication strategies, and accountability

2 Engage Internal and External Partners

- Up the ERG “ally quotient”: engage allies as members and strategically leverage their participation
- Collaborate via social networking tools for multiple touch points and to sustain involvement
- Establish strategic partnerships with corporate functions (CSR, Learning & Development, etc.): look for synergies between functional and ERG goals
- Engage diverse external social entrepreneurs to enable both community investment and innovation partnerships
- Expand ERGs globally: employees in other countries crave the support, the visibility, and the opportunity

3 Drive Business with ERG Benefits

- Charge ERGs with innovation initiatives to drive business
- Establish multiple wins among a broader group of stakeholders
- Become a trusted partner in fostering emerging talent

4 Measure ERG Impact

- Measure ERG ROI – with basic and advanced metrics to gauge business impact
- Set accountability mechanisms – driving ERGs to meet goals
- Ensure executive commitment and accountability through role clarity

A Detailed Look at Unlocking the Potential of ERGs

1 Develop ERGs Strategically

- **Form groups (or allow them to form) around identity and non-identity affiliations:** Create ERGs in both traditional identity areas (gender, race, sexual orientation, etc.) and also in new areas, for new purposes: Generational, Multi-Cultural (blended groups resonate with Gen Y), Veterans, Disabilities, Family/Parents, Religion, Interest Groups (i.e. special needs parents), regional and global/country-specific ERGs.
- **Manage ERGs as a strategic brand:** Clearly articulate member, leader, and executive sponsor benefits from participation – this will help “sell” the ERG; partner and learn from company’s internal marketing department since an ERG is a business like any other; drive brand recognition within and outside the company; market wins and profile career benefits more often/widely and strategically; facilitate and convene best practice information; maintain metrics and drive accountability.

2 Engage Internal and External Partners

- **Up ERG “Ally Quotient”:** All ERGs, not just LGBT groups, should engage allies as members and strategically leverage their participation. To drive engagement:
 - Set targets for increased ally number, participation and functional representation
 - Embed ally targets and metrics into ERG strategic plans
 - Focus on “next-level” ERG metrics beyond participation, such as impact on business development, new revenue generation, new product development, etc.
 - Define ally roles, and anticipate challenges and opportunities
 - Educate the workforce at large about the ally value proposition
- **Collaborate via Social Networking Tools:** Use internal and external programs, like blogs, wikis, microblogging and podcasts to develop multiple conversations with employees; connect with employees before, during and after engagements; set metrics for virtual engagement in all programmatic initiatives (this is a great way to engage global, remote and virtual employees). Do your homework: look at what business education (MBA/eMBAs) are doing with virtual and global teaming to develop creative solutions to common business challenges.
- **Establish strategic partnerships with corporate functions:** ERGs can impact business development, break down silos and utilize the power of internal practices:
 - ERGs can play a part in fueling company-wide talent management efforts; ERG members and leadership are the leaders of the wider organization. Scope ERG leadership for high potentials from across the business.

- Examine how Corporate Social Responsibility (CSR) is conceptualizing and strategizing their business approach, engaging senior leaders and fueling/funding efforts. Meet with CSR leaders to get a first-hand look at strategy, functional overlap with diversity and inclusion, and possibilities for collaboration. For instance, how can ERGs help get the CSR message out while tying in the diversity and inclusion/ERG value proposition? Can there be cross-teaming, cross-sharing, joint event possibilities, and the like?
- **Engage diverse external social entrepreneurs to enable both community investment and innovation partnerships:** Encourage ERG members to work as “intrapreneurs” within the corporate environment by defining community engagement beyond the long-standing non-profit relationships and connecting with socially-oriented, high-impact startups and NGOs. Partner with foundations to develop strategic grant programs for those inventing new business models that make money while giving back.
- **Expand ERGs Globally:** With a global workforce, expand ERGs to global membership – employees in other countries crave the support, the visibility, and the opportunity. Present global teams with business challenges; cross-sharing ideas and tackling business challenges in new ways can help shed “cultural blinders” and develop innovative wins. Facilitate this collaboration with social media solutions.

3

Drive Business with ERG Benefits

- **Charge ERGs with innovation initiatives to drive business:** Leverage diversity of thought in ERGs, assess pain points in the organization and task ERGs with creating innovative solutions. Leverage diversity of thought. Use ERGs as a model for the “distributed decision-making” of the future – bottom-up crowd-sourced innovation. Overall, there are three main ways to innovate:
 - **Product Innovation:** Creating new products that work in the market
 - **Process Innovation:** Completing day-to-day practices in more efficient, cost-effective ways. For example: can internal talent complete tasks more efficiently than external/outsourced talent? Can these projects provide employee engagement and development opportunities?
 - **Strategy Innovation:** How can ERGs influence the way businesses move forward, such as moving into new markets, developing new products, etc.
- **Establish multiple wins among a broader group of stakeholders:** Help deepen ERG impact on business by deeply embedding activities across as many stakeholders as possible. Develop activities that are: cross-ERG; between ERGs + functional areas; among ERGs + functional areas + clients + community, etc. Develop internal competitions to see the number of value propositions and diverse stakeholders ERGs can influence to make efforts most efficient, broad-based and beneficial to the maximum number of people. This not only most effectively harnesses diversity of thought in an organization, but grows employee’s personal networks with each

other, and with external stakeholders, increasing company branding opportunities simultaneously.

- **Become a trusted partner in fostering emerging talent:** Help HR and Talent Management colleagues to broaden and deepen their leader pipeline through promoting the work of ERG leaders and members.

4

Measure ERG Impact

- **ROI Metrics:** Utilize basic and more advanced metrics to gauge business impact:
 - **Basic Metrics:** Event attendance; number of events hosted annually; ERG membership numbers; ERG awards received
 - **Advanced Metrics:** Impacting business revenue; numbers of innovation initiatives impacted; external demand as best practice resource; internal leadership pipeline and promotion statistics of ERG members; representation per country, especially emerging markets; regular strategic planning processes and business plans completed
- **Accountability Mechanisms:** Measurement and accountability go hand-in-hand. Hold ERG leads accountable for metrics set and tie performance into performance evaluations in order to drive ERGs to meet and exceed goals.
- **Executive Commitment:** Remember that many executive sponsors are unclear what their role is, in supporting their assigned ERG. Or, ERGs may not know how to enlist their sponsor effectively. Ensure there is clarity both directions, communication is flowing, and that ERGs are clear, empowered and strategic in their approach.



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Who is JBC?

JBC is a strategic diversity consulting firm that works with large and small businesses to build forward-thinking organizational practices that foster diversity, leadership and innovation. Founded in 2004, JBC guides the efforts of HR, Diversity and Inclusion (D+I) and Employee Resource Group champions to align diversity with business imperatives. With a worldwide client base and a network of over 1600 HR and Diversity Professionals, JBC is a thought leader in blending proprietary, strategic content with external best practices. We provide clients with high-touch, customized experiences that address the needs of program leaders, no matter what their stage of development. We are experts in translating the impact of diversity and inclusion to organizational leadership and facilitating with the latest web 2.0 technologies. We harness the power of tomorrow's workforce...today.