

A Guide to ERGs & Best Practices

Did you know that over **90%** of Fortune 500 companies have Employee Resource Groups? (Forbes, 2017)

Companies more than ever, are realizing the importance of ERGs in the workplace and how they play a vital role in implementing internal and external DEI initiatives. Through Hummingbird Humanity's Four Lenses of Representation: People, Culture, Customer, Community, ERGs fall under the Culture lens. However, the impact of establishing an ERG has a ripple effect across all four lenses.



- **People:** Attract, hire, develop, and retain diverse talent.
- **Culture:** Create an engaging global workplace for all employees. Intentional, inclusive culture where everyone can thrive.
- **Customers:** Target solutions for key customer segments. Diverse new products and services.
- **Community:** Giving back to the community. Social impact programs that support marginalized communities.

What are ERGs?

Employee Resource Groups are employee-led, self-directed voluntary groups. ERGs offer opportunities to network internally, to attract a diverse employee base, to provide the inclusion of ideas and solutions, and to create opportunities for mentoring and career development to name a few. As ERGs solidify their structure and evolve, they contribute to business outcomes such as innovation, culturally-competent products/services, and succession-planning for leadership roles.

What's the difference between affinity groups, ERGs, and BRGs?

The original purpose of these groups was to create networks of support for employees, the first being the Black Employee Caucus affinity group at Xerox in 1970. Over the years they've evolved, and affinity groups grew into employee resource groups attracting, supporting, and mentoring talent. As they continue to evolve, many have matured into business resource groups driving innovation, insight, and influencing business outcomes.

Employee Resource Group

Maturity Model

Illustration inspired from the work of D. Chip Newton

- Awareness
- Networking
- Support

Affinity Group

- Community Outreach
 - Recruiting
 - Mentorship
-
- Awareness
 - Networking
 - Support

Employee Resource Group (ERGs)

- Product Innovation
 - Customer Focus
 - Sales Support
 - Dedicated mentorship for high potential talent
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- Community Outreach
 - Recruiting
 - Mentorship
-
- Awareness
 - Networking
 - Support

Business Resource Groups (BRGs)

80% of Millennials prioritize and desire on-the-job training, continuous professional development from their employer, and formal mentorship in order to do their best work. (Deloitte, 2018)

Why are they important?



People

ERGs help attract and retain diverse talent. They create pipelines for professional development, particularly for historically excluded groups, to ascend in the company.



Culture

Employee engagement increases with the presence of ERGs. They also bring awareness of the group's identity, celebrate their history, and provide learning opportunities.



Community

Creates opportunities for volunteering, supporting, and having a social impact on the communities which the group represents.



Customer

Outreach is facilitated through ERGs as they are in-tune with the lived experiences of their group and build bridges for an organization's message to reach them.

What is the business case for ERGs?

- Companies in the top quartile for ethnic and cultural diversity outperform those in the fourth by **36%** percent in terms of profitability. (Deloitte, 2020)
- Employees with a strong sense of belonging report a **56%** higher level of overall performance. (BetterUp, 2021)
- A team with a member who shares a client's ethnicity is **152%** likelier than another team to understand the client. (Harvard Business Review, 2013)
- **94%** of Generation-Z expect companies to take a stand on social issues. (Deloitte, 2021)

What are the main roles and responsibilities in an ERG?

Executive Sponsor

An executive leadership supporter and advocate for the group who provides strategic guidance and serves as a liaison to other leaders and HR. The executive sponsors should mentor and guide the B+ERG members in their efforts to create a dynamic and inclusive workplace.

Tips for a Effective ERG + Executive Sponsor Partnership

ERG Leads

The overall lead(s) for the B+ERG who manages the group and is responsible for communications, activities, and frequency of meetings. Meetings and events should occur once a month maximum, and every other month minimum.

It is advised that B+ERGs have co-chairs so that responsibility does not lie solely on an individual.

The B+ERG chairperson(s) will also meet quarterly with the leads from other B+ERGs to share information, cross-collaborate, and promote each other's events.

8 Things About Being An ERG Leader

ERG Manager

The person providing guidance, resources, and support to the ERG leads. This is a designated company role and it varies from organization to organization. Some companies have designated ERG Manager roles, and others have DEI Managers or Human Resources leads who fulfill this function.

This is different from the other roles described in this section because it is not employee-led, it is company-led.

Best Practices For ERG Management

ERG Members

These are all other members of the ERG. Amongst the members of the ERG additional responsibilities can be shared such as creating the agenda, note-taking, and minutes for meetings.

Tips For Engaging In ERGs As An Ally

***It is important to keep in mind that those in the organization whose identities fall under the ERG but are not actively participating in the ERG, are still considered members because the ERG advocates for them.**

Studies have shown that the first 60 to 90 days of employment are particularly challenging for new employees, especially those of traditionally underrepresented groups. ERGs work to combat this by helping employees feel valued and accepted during the initial onboarding process. (SHRM, 2016)

Should companies compensate ERG Leads?

At Hummingbird, we believe in rewarding ERG leaders for the contributions they make to the business. We understand the extra effort too often required from individuals from marginalized communities without compensation for their additional labor. The preferred method of compensating ERG leads is by adding to their annual salary. However, smaller companies might not be at that stage of development yet. Some alternative ways to compensate them are:

- Invest in their leadership and professional development
- Include their ERG role as a part of their annual performance review
- Allocate stock options for their investment

A Checklist to Keep in Mind When Starting an ERG

Getting Started & Outreach

Before seeking official recognition, find a group of passionate individuals interested in joining your potential ERG. Ways to advertise to gauge interest: company newsletter, email blasts, slack channels, networking with staff.

[A Communication Plan Checklist](#)

Mission, Vision, Value

A mission statement is a formal summary of the aims and values of the group. Can include: creating community, having a safe space, advancing awareness for your group, creating professional development opportunities for the members of your ERG, and more.

[Facilitation Ideas for Mission, Vision, Values](#)

Establish Charter

Items to include:

- Proposed name of the group
- A mission statement demonstrating how the group will support its members and organization's commitment to diversity, equity & inclusion
- The names of at least five employees seeking to establish this group and their potential roles
- The first-year plan of action & budget
- The benchmarks you plan to measure
- Name(s) of potential executive sponsors

[ERG Charter Template](#)
[ERG Budget Worksheet](#)



78 percent of 18-24 years olds and nearly 84 percent of 25-34 year olds report that ERGs have a positive impact on engagement. (Seramount, 2017)

Measuring Success

To measure success, the group must establish goals and success criteria (benchmarking). These will ultimately define how the group has done and what it has delivered. The group's goals and success criteria should be easily understood, support the mission, and be measurable.

Some success criteria for consideration include:

recruiting [X] new members per year, publishing a quarterly newsletter, conducting one annual event, designing [X] group activities, increasing participant attendance at meetings and events.

As the ERG evolves, the metrics also evolve from group focused to impact on business. After the first year, ERGs can shift to measuring success through recruitment, engagement, and retention numbers.

3 Key Metrics for ERG Success SMART Goals Template

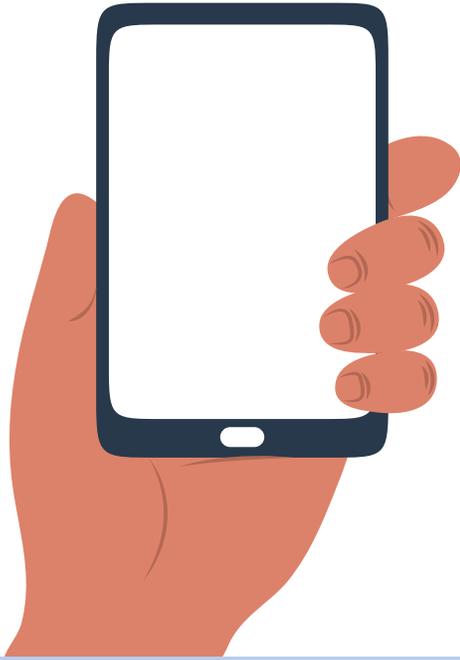
Tips for Success

Lastly, some things to keep in mind when establishing an ERG to set it up for success:

- **Leadership Involvement**
 - Executive sponsors are imperative for the creation and sustainability of ERGs. However, the ERG should invite other organization leaders to become involved either through attending meetings, or as speakers for specific topics.
- **Beyond a Social Club**
 - Affinity groups brought communities together in the workplace through events, happy hours, etc. An ERGs mission is to educate, invest, and develop diverse talent.
- **Cross-Collaboration**
 - ERGs are meant to bring people from a specific identity together. At the same time as humans, we are composed of various identities. ERGs should intentionally bring awareness to our intersecting identities by collaborating with other ERGs throughout the year.

These are the starting points for building a successful ERG. However, the most successful employee resource groups are those led by the employees' voices, so make sure those who are members of the groups are also the ones leading the decisions for their respective communities.





Additional ERG Resources:

- [Engaging ERGs Virtually](#)
- [Why ERGs are on the Rise](#)
- [How ERGs are Driving Employee Benefits](#)
- [The Mom Project Employee Resource Guide](#)
- [Forbes' How to Foster Belonging through ERGs](#)
- [A Toolkit for Establishing Successful ERGs](#)
- [Employee Resource Groups: A Guide](#)

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